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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Soviet ballerina in U.S. talks

U.S. and Soviet diplomats agreed on a compromise under which Soviet ballerina Lyudmila Vlasova would be interviewed in a mobile lounge at Kennedy Airport, New York, in the presence of both Soviet and American officials.

The agreement came after more than 60 hours of haggling that began when her husband, Bolshoi Ballet star Alexander Godunov, defected to the U.S. Godunov claimed his wife was being forced to leave the country and U.S. officials stopped an Aeroflot plane carrying Ms Vlasova from leaving the airport.

The State Department said the agreement to interview the ballerina in the mobile lounge drawn up by the Aeroflot plane would provide her the opportunity "free from coercion" to state her views.

### Israeli gunners break ceasefire

Israeli gunners broke South Lebanon's day-old ceasefire with a shell attack on suburbs of the port city of Tyre as a Lebanese envoy flew to Syria to begin a tour aimed at calling an Arab summit on Lebanon's continuing bloodshed.

The Israeli Cabinet will meet today to reassess its policy of attacks on Palestinian guerrilla targets in South Lebanon in the light of foreign criticism of Israeli actions. Page 3

### Kidnap demand

An anonymous telephone caller told the Italian news agency ANSA that London businessman Rolf Schildt and two members of his family were abducted by a group called "the Red Guerrillas". The caller demanded the freedom of several Italian prisoners in exchange for the release of the Schildts.

### Mondale offer

U.S. Vice-President Walter Mondale offered China \$2bn (\$895.6m) in financial aid over the next five years. He was addressing an audience of academics and students at Peking University in the first speech by a U.S. leader made direct to the Chinese people in more than 30 years. Page 3

### Briton killed

British chemistry professor Witke Popiel was shot dead in Kampala by three men, wearing uniforms who stole his car. At least 10 people have been killed in the Ugandan capital in the last four days and 42 cases of gunshot wounds were admitted to hospital over the weekend.

### Convict shoot-out

Eighty-two convicts who had been holding three guards hostage inside Las Vegas City Jail since Saturday, gave themselves up after two leaders shot each other dead. Their demands had ranged from hot water in prison showers to cell radios.

### Homeward bound

All 253 UK passengers rescued from the grounded Danish ferry Winston Churchill were due to fly home from Sweden last night as efforts continued to free the ferry from the rocks 10 miles from Gothenburg.

### Briefly...

Cuba pardoned 400 political prisoners on the eve of the 28th anniversary of the revolution. The movement in Havana.

Irish church leaders flew to Rome for talks on the Pope's itinerary for his visit to the Republic next month.

Madrid police arrested 28 people accused of smuggling drugs into a city jail in tennis ball, chickens and omelets.

### BUSINESS

## Pound up 1 cent; Yen weaker

MANY EUROPEAN currencies strengthened fractionally against the dollar, in spite of the very low level of trading in currency markets. STERLING gained more than most against the dollar and was quoted in late afternoon in New York at \$2.3455, up by more than 1 cent on Friday's close of \$2.3355. However, the Japanese Yen weakened against the dollar, dropping from its level of ¥219.25 at the close on Friday to ¥220.26 late yesterday afternoon in New York.

WALL STREET was 7.99 up at \$87.29 just before the close.

U.S. has given qualified support to plans to increase the role of the IMF's special drawing rights in world currency reserves, reducing the importance of the dollar. Back Page

FIFTY-FIVE Lloyd's underwriting syndicates are claiming \$10m from Federal Leasing of the U.S., a computer leasing company which is suing the underwriters for \$625m over disputed computer leasing insurance. Back Page

FT GROCERY INDEX fell for the second month running, declining 0.53 to 114.16 in August. A sharp fall in the cost of fresh fruit and vegetables led to the index's fall. Page 4

FRENCH consumer prices rose by 1.3 per cent last month, the biggest monthly increase for well over a year, bringing the rate of inflation for the last 12 months up to 10.3 per cent. Page 2

WEST GERMAN trade surplus fell sharply in June to DM 600m (£147.4m) from DM 1.7bn in June this year and July 1978. The current account deficit in July totalled DM 2bn, against DM 3.2bn in June and DM 2bn in July last year. Back Page

CABINET'S economic strategy committee will decide within the next month the time and scale of the planned sale of the Government's shareholding in BP. Back Page

NCE is to equip 34 pits with microprocessor control systems which will control mine production from the surface. The cost of the systems is expected to be about £10m. Page 4

COURTAULDS, the UK textile group, plans a major relaunch of its Courtauld's textile store this autumn in a bid to increase sales to the carpet, garment and knitwear industry. Back Page

### LABOUR

HOOPER plans to cut its workforce at its Merthyr Tydfil plant by between 700 and 1,200 jobs. The cuts are to be discussed at a meeting of unions and management tomorrow. Page 4

CIVIL SERVICE Department Ministers, at the centre of the Government staff cost review, have approved the range of options for scaling down the department's own manpower expenditure by between ten per cent and 20 per cent by 1982. Page 4

### COMPANIES

DOWTY group must seek further acquisitions, particularly in the U.S., in order to remain competitive, chairman Sir Robert Hunt told shareholders in his annual report. Page 12

SIME DAREY HOLDINGS' year's pre-tax profits to the end of June rose by 23.5 per cent to nearly \$521m (\$45.94m) on turnover 6.5 per cent up at \$31.815m. Page 13

TOYOTA Motor Company of Japan announced a 12.2 per cent fall in net profit for the year ended in June to ¥102,058bn (£210bn) on a sales rise of 7.1 per cent. Page 13

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## IRA CLAIMS RESPONSIBILITY AFTER THREE DIE IN BOAT BLAST

# Lord Mountbatten killed

BY STEWART DALBY IN BELFAST AND ROGER BOYES IN DUBLIN

THE PROVISIONAL IRA last night claimed responsibility for the murder of Earl Mountbatten of Burma, who died just before midnight when his holiday boat exploded a mile off the coast of Co. Sligo in the west of Ireland.

The explosion, which an eye witness said ripped the boat to shreds, also killed Nicholas Knatchbull, Lord Mountbatten's 14-year-old grandson, and 15-year-old Paul Maxwell, a boat boy from Enniskillen.

The four other occupants of the boat were all badly injured. They were Lady Brabourne, Lord Mountbatten's daughter, Lord Brabourne, her husband, the Dowager Lady Brabourne, and Timothy, twin brother of Nicholas.

Both women and Timothy were in the intensive care unit of Sligo General Hospital last night. Lord Brabourne, although badly hurt, was not in such a critical condition and was in a general surgical ward.

The assassination of the 79-year-old Lord Louis, a cousin

of the Queen and an uncle of Prince Philip, came only hours before the Provisionals murdered ten soldiers on a road outside Warrenpoint in Co. Down.

Four other soldiers were injured in the explosion and taken to hospital.

As a helicopter, sent to ferry out the casualties, landed close to the scene of the attack, a second bomb went off, injuring two of the crew and damaging the machine.

In spite of the damage, the pilot was able to grab the two injured soldiers and fly back to base.

The death of Lord Louis was described as a "shock" by another IRA terrorist group, the Irish National Liberation Army (INLA), who claimed they killed Mr. Airey Neave in the car park of the House of Commons last April, first claimed and later retracted responsibility for the murder.

A statement from Buckingham Palace said the Queen was "deeply shocked" at the murder. In Ireland, the Taoiseach (deputy prime min-

ister) said: "It is with profound shock and regret that the Government learned of the explosion. I wish to tender to those bereaved and injured our most sincere sympathy."

"All Irish people join with me in condemning this cowardly and heartless outrage. No effort will be spared to bring those responsible to justice."

Earl Mountbatten was a regular visitor to Co. Sligo, where he owned Classy Bawn Castle, half a mile from Mullaghmore Harbour. The tiny holiday village is 16 miles north of Sligo town.

At its nearest point it is just 10 miles from the border with Northern Ireland.

Irish Justice Minister Mr. Gerry Collins flew to Co. Sligo for an on-the-spot report. Prince Charles has cut short a fishing holiday in Ireland with friends and will return to London today.

Lord Mountbatten is a former Chief of Defence Staff, Viceroy of India and Supreme Allied Commander, South-East Asia, during the Second World War. He had been taking his holidays in Classy Bawn for over 30 years.

Last night detectives from Dublin's flying squad as well as divers, bomb and forensic experts were in Sligo. The local police said they were treating the case as one of murder.

Lord Mountbatten's death seems certain to raise a furor about security measures for important foreigners.

In 1976 Mr. Christopher Ewart Biggs was blown up and killed by an IRA bomb near the British Ambassador's residence in Dublin's suburbs. Coming as it does less than a month before Pope John Paul II's three-day visit to Ireland, the murder will re-open the question of whether the Irish security forces have, at least in the legal sense, the means to combat guerrilla terrorism.

Mr. Robin Hayden, the British Ambassador, who travels with massive security, and his military attaché flew to Sligo yesterday.

Mr. Garrett Fitzgerald, the leader of the main opposition party, Fine Gael, called the death a "murderous outrage" and implored the thousands of Britons holidaying in Ireland not to over-react to the "act of murderous thugs who can never represent the feelings of the Irish people."

Mr. Frank Cluskey, the leader of the small Labour Party, talked of the "shame on the Irish people of these outrageous acts."

In spite of its denial the murder had all the hallmarks of an INLA operation. The group is a splinter of the Irish Republican Socialist Party, itself an offshoot of the old Official IRA which divided from the Provisional IRA in the early 1970s.

It was not clear last night exactly what kind of device killed Lord Mountbatten. Unconfirmed reports said it was a time-bomb. The Provisional IRA promised a fuller statement later.



Lord Mountbatten

Normally the Provisionals make their claims through unconfirmed telexes to Dublin newspapers. Yesterday, however, the news came in the form of a telex to Belfast newspapers and hotels.

## West Germany may not meet oil saving target

BY JONATHAN CARR IN BONN

COUNT OTTO LAMSDORFF, West German Economics Minister, has dropped a broad hint that his country will not be able to meet the oil savings target for this year set by the International Energy Agency countries.

He added that he felt almost no other principal agency country would do so, either.

Count Lamsdorff was asked in an interview with the magazine Der Spiegel, published yesterday, whether West Germany could save 5 per cent of its planned oil consumption in 1979, as promised, when it had increased consumption in the first half.

He replied that when the savings aim was decided in March, all agency participants knew that it would be hard to meet this year. Further, the West German Government pressed for insertion of a clause saying that account had to be taken of differing savings possibilities and of economic

development in the participating countries.

West Germany, Count Lamsdorff noted, would probably have real economic growth of 4 per cent this year, a high level demanded by other states at the Bonn Economic Summit in July last year.

He also indicated that he still opposed measures such as a speed limit on autobahns, praising what he termed the reasonable attitude of the German motorists, and noting that the German vehicle industry was developing new energy-saving models.

Count Lamsdorff, a leading member of the Liberal Free Democrat Party, had constantly emphasised his belief in the ability of market forces to master many current energy difficulties.

However, some of his Social Democrat colleagues in the Bonn coalition think otherwise, believing that West Germany will not in the long run be able to do without the kind of speed

limit imposed in most partner countries.

Although some new energy-saving proposals have recently been announced here, Social Democrats feel that more widely ranging action will be needed if Bonn is to be seen as observing the spirit of its international pledges.

West Germany was one of the countries that last June at the Tokyo Economic Summit, agreed to aim at an oil import level which, by 1985, would not exceed that of 1978.

However, in the first half of this year, West German crude oil imports were up in quantity by 18 per cent to 52.7m tonnes and in value by 28 per cent to DM 12.5bn (£3bn) against the first half of 1978.

Although some signs indicate that German motorists are driving a little more slowly than they used to, petrol consumption was up by 6 per cent last month against year earlier, partly because there are more cars on the road.

## U.S. backs Khomeini regime

BY ANDREW WHITLEY

THE U.S. appears to have undertaken a big shift in its policy towards the Islamic Republic of Iran, throwing its full weight behind the survival of the Khomeini regime when it is encountering its most serious resistance.

In Washington, the State Department has made clear its readiness to resume the supply of some arms and ordnance and has publicly declared its support for Ayatollah Khomeini.

Significantly, it did not mention the Bazaar Government, likely to be replaced soon. The U.S. and Britain are worried about the medium-term prospects for the survival of the Qam-based regime in the light of growing economic discontent and dislocations as well as popular reaction to its Islamic puritanism.

The Soviet Union is evidently showing increasing interest in Iran's western provinces. Diplomatic sources in Tehran say that Soviet aircraft are flying over Iran by night.

Agreement has been reached on the supply by the U.S. of fuel products, needed to limit popular discontent next winter. Large-scale food exports are also to continue.

he drive fully to control the whole country, especially Iranian Kurdistan in the west, might open the whole question of the unity of the country.

Reports last night said that the Moslem clergy had agreed a cease-fire on all fronts in the Kurdish revolt, according to Kurdish negotiators. The Kurds had had talks with Ayatollah Mahmoud Taleghani, Tehran's spiritual leader.

Among the tasks that Mehdi Bazargan, the Prime Minister, and the Revolutionary Council are seeking to deal with is to crush armed opposition from the 3m Kurdish minority.

They also want to eliminate the two main guerrilla organisations not involved in the power apparatus as visible centres of opposition to official policies, and to drive underground the intellectual Left.

They also plan to install a permanent Government in place of the provisional mandate of Dr. Azatgan, debilitated weak, within five weeks.

The Tehran Government, instructed by Ayatollah Khomeini and the secret revolutionary executive in Qom to act in a more revolutionary manner, feels highly embattled.

## Shortlist for economic adviser

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT has decided to look outside Whitehall for a new chief economic adviser. The shortlist includes some of the UK's leading monetary economists.

Sir Geoffrey Howe, the Chancellor, regards the appointment as of key importance in helping to set a new direction in economic management. It also fits in with a re-examination of the operations of the economic side of the Treasury, particularly the work of the forecasters.

The frontrunner is Professor Jim Ball, principal of the London Business School. His appointment is favoured by a number of top Treasury officials, partly because of his existing experience. Prof. Ball, aged 48, was closely involved in the early work on forecasting in the UK, and in 1976-78 was chairman of an official committee, which was critical of the Treasury's apparent lack of openness with outsiders.

The other main contenders are Mr. Terry Burns, head of the Business School's Centre

for Economic Forecasting, and Mr. John Fleming of Nuffield College Oxford. Mr. Burns is one of the most active participants in the public debate about economic policy in the UK while Mr. Fleming is one of Britain's most respected younger academic economists.

The other candidates who have been discussed within the Treasury are Professor Brian Griffiths of the City University, an adviser to the Conservatives in opposition, and Professor Patrick Minford of Liverpool University.

The decision to look outside Whitehall is partly the result of a shortage of official economists of suitable experience but also reflects Sir Geoffrey's desire to give a new impetus to the Treasury's economic work. Considerable care is being taken to find someone who will command the respect of existing economists.

There is broad agreement that the Treasury economists are mostly of high quality and their forecasting record is as good as, if not slightly better

than, that of outsiders. However, some close observers of the Treasury, including some previous Labour Ministers, have argued that the work of its economic side has lacked coherence and direction. It has been suggested that the forecasting model of the economy is too big and too complicated for anyone to produce clear advice.

On this view it may be desirable for the Treasury's economic side to be slimmer and down with fewer people who know more about what is happening.

This ties in with the general scepticism of the Conservative Ministers about the desirability of basing economic decisions on such forecasts.

In his Budget speech Sir Geoffrey questioned the "conventional forecasting arithmetic" and the associated assumptions of "neo-Keynesian economists."

Another, though subsidiary, reason for re-examining the forecasters' work is a general search for economies within the Treasury in order to keep costs within cash limits.

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# Kurdish bid to end fighting

TEHERAN—A group of Iran's embattled Kurds appealed directly to Ayatollah Ruhollah Khomeini yesterday in a move aimed at ending the fighting in the western border region.

In a letter to the Ayatollah, Iran's unofficial head of state, the Islamic Revolutionary Council of the Kurdish capital of Mahabad, claimed he was being misinformed about the situation in the Kurdish areas.

The Tehran Press published the letter as the Council's leader came to Tehran to try to end the fighting which has raged between Government forces and Kurdish guerrillas for the past ten days.

In Mahabad, a spokesman of the banned Kurdish Democratic Party (KDP), which is leading the Kurds' resistance move-

ment, said they approved the Council's initiative.

In the foothills below the mountain stronghold of Mahabad, a column of Government forces yesterday remained poised to launch a drive to recapture the rebel capital, the KDP spokesman said. The troops were apparently waiting for reinforcements, he added.

Abdul Rahman Abassi, the Mahabad Council's head, stressing that the Kurds were "inspired by Khomeini's leadership," asked the Ayatollah not to heed "invented" reports about the Kurds put out by those who wanted to divide the nation.

Kurdish elements in Tehran said Mr. Abassi had arrived in the capital in an attempt to

negotiate a peace, but there has been no word so far from the Government on the possibility of negotiations.

The KDP in Mahabad said yesterday that Kurdish guerrillas were holding on to their defensive positions along the mountain passes barring the road from the north to the town.

The party had received reports indicating the army was moving towards Mahabad from the recently captured town of Saqqez to the south-east, and that Government forces were also massing at Miandoab in the north-east.

More than 1,000 Kurds have been arrested in Saqqez since Islamic Revolutionary guards and troops entered the town at

the weekend, according to the spokesman. Many of the town's inhabitants had fled to the surrounding hills, he added.

The State radio broadcast an ultimatum issued by the 28th infantry division which captured Saqqez, giving the people of the area an ultimatum to hand in their weapons. Those who disobeyed would be severely punished, it added.

AP adds: The new Revolutionary Government of Iran has agreed to allow Condotta d'Acqua, an Italian company, to resume construction of the large port at Bandar Abbas on the Gulf. An official at the company, which is the main contractor for the port facilities, said Iran had only cut its planned spending on the project by about 15 per cent to £450m.

## Guerrillas claim 800 Moroccan casualties

POISARIO GUERRILLAS fighting for independence in the former Spanish Sahara claimed yesterday that they had killed nearly 800 Moroccans last week in an attack on the desert outpost of Lebouir in southern Morocco, news agencies report. The Moroccan Government confirmed that the guerrillas surprised the garrison, forcing them to abandon the post for a day. But a Government communiqué said the guerrillas were driven out by a counter-attack.

The guerrillas also claimed to have captured about 60 trucks, 40 Land Rovers, 105 tons of munitions, 370 rifles, 100 pistols and a dozen cannons. They did not reveal their own losses. It was the third attack on Lebouir in the past six weeks.

Yesterday Morocco was preparing a major inquiry into how its troops were routed by the guerrillas.

**French prices rise 1.3 per cent**

French consumer prices spurred up by 1.3 per cent last month, the biggest monthly increase for more than a year, writes David White in Paris. The rise, announced by INSEE, the official statistics body, brings the inflation rate for the last 12 months up to 10.3 per cent. The annual rate calculated on the basis of the last three months is 13.5 per cent.

**Zaire gets IMF loan**

Zaire President Mobutu said negotiations with the International Monetary Fund (IMF) for a loan have been completed, writes Reuter in Paris. He said Zaire had initiated a standby credit agreement with the IMF for \$150m (£87.5m) and Finance Minister Bofessa added that this would be followed by a \$350m to \$450m from Western countries.

Zaire has devalued its currency, the Zaire, by 25 per cent from yesterday according to Western banking sources in Kinshasa. The devaluation is the fifth in less than a year and is in accordance with recent negotiations between Zaire and the IMF.

**Turkey warns extremists**

General Kenan Evren, Chief of Turkey's General Staff, warned feuding political extremists to end their ideological warfare that had cost more than 2,250 lives since 1975, writes AP-DJ in Ankara. The armed forces, he said, were capable of wiping all of them out.

Evren, in a message to the country's 500,000-strong armed forces to mark the anniversary of the start of a decisive assault against invading Greek forces, hinted that the armed forces rank-and-file were getting impatient with the relentless bloodshed that had spread to the remotest parts of Turkey.

**Bosphorus tunnel study**

THE UNITED STATES Agency for International Development (AID) is to finance a pre-feasibility study on the construction of a railway tunnel under the Bosphorus between the Asian and European sides of Istanbul, writes Merin Munir in Ankara. An agreement between the AID and Turkey is expected to be signed in the next few days, according to a spokesman of the American Embassy.

**Ford Canada strike threat**

Workers at Ford Motor Company of Canada plants here and in Windsor and Talbotville, voted in favour of strike action if a new agreement is not reached by September 14, the United Auto Workers Union said, Reuter reports from Oakville.

**Flying Tiger strike**

All operations of Flying Tiger Airline, the world's largest air cargo carrier, are at a standstill after a strike by 2,000 freight handlers, cargo agents and mechanics, writes AP-DJ in New York.

**U.S. homes hoard oil**

Suspected stockpiling of 1bn gallons of heating oil by U.S. industry and private homes could mean the nation will escape a feared shortage this winter and even face a glut, a Wisconsin Congressman said, reports AP-DJ in Washington.

Representative Les Aspin (Democrat, Wisconsin) said a study he conducted suggests that American homes and businesses bought 1bn gallons more fuel last winter than was needed.

**Taiwan prices policy**

Economic Planning and Development Council Chairman Yu Kuo-Hua has said that Taiwan's Government still adheres to the policy of price stabilisation, according to an economic official, writes AP-DJ in Taipei. He said the policy is intended to cut down the impact of the U.S. recession. The U.S. is Taiwan's largest trading partner.

At a recent Cabinet meeting, Yu, also governor of Taiwan's central bank, reported that trade in July continued to grow, while exports in the same month were a record worth \$1.51bn.

## Mondale announces \$2bn U.S. credit for China

BY JOHN HOFFMANN IN PEKING

A STRONG, secure and modernising China would be in the U.S. interest in the coming decade, Mr. Walter Mondale, the American Vice-President, said yesterday.

He was speaking at Peking University to Chinese academics and students. It was the first speech by a U.S. leader to the Chinese people for the past 30 years and was broadcast throughout the country on radio and television. He indicated that the U.S. was firmly committed "to joining you to advance our many parallel strategic and bilateral interests."

In a strong statement of America's attitude towards Asia, the Vice-President told the audience: "Any nation which seeks to weaken or isolate you in world affairs assumes a stance counter to American interests."

"That is why the U.S. normalised relations with your country and that is why we must work to broaden and strengthen our new friendship."

China's modernisation was also in America's economic interest, Mr. Mondale said. He announced that the U.S. was prepared to establish export

import bank credit arrangements for China up to a total of \$2bn (£800m) over five years. "If the pace of development warrants it, we are prepared to consider additional credit arrangements," he added.

The Carter Administration would also seek this year Congressional authority to encourage American business investment in China by providing guarantees and insurance.

Textile, maritime and civil aviation agreements would be considered in the shortest possible time and he would sign an agreement during his visit confirming that American Government agencies were ready to help to develop China's hydro-electric power industry.

Mr. Mondale assured the Chinese that the Sino-American trade agreements outlined earlier this year would be submitted to Congress for approval before the end of the year.

It had been reported that China was uneasy about the delay in ratification of the agreement, which will extend "most-favoured nation" status to it.

The Vice-President emphasised the strategic importance of the Sino-American relationship.

Reuter adds from Peking: Mr. Mondale yesterday began formal talks with senior Chinese Vice-Premier Deng Xiaoping, Premier Zhao Ziyang, and the Chinese Foreign Minister Qiao

of the Sino-American relationship.

"Above all, both our political interests are served by your growing strength in all fields for it helps deter others who might seek to impose themselves on you," he said.

"Today the unprecedented and friendly relations among China, Japan and the United States bring international stability to north-east Asia."

In a sense, we are testing whether a developed nation and a developing nation, each with different traditions, can build a broad, enduring, constructive relationship.

"Certainly there will be serious barriers to overcome. But if we can work together, future generations will thank us. If we fail, not only will our children regret the entire world will feel the consequences."

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"Certainly there will be serious barriers to overcome. But if we can work together, future generations will thank us. If we fail, not only will our children regret the entire world will feel the consequences."

Reuter adds from Peking: Mr. Mondale yesterday began formal talks with senior Chinese Vice-Premier Deng Xiaoping, Premier Zhao Ziyang, and the Chinese Foreign Minister Qiao

of the Sino-American relationship.

"Above all, both our political interests are served by your growing strength in all fields for it helps deter others who might seek to impose themselves on you," he said.

"Today the unprecedented and friendly relations among China, Japan and the United States bring international stability to north-east Asia."

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## Iran urges regular oil price-fix

BY OUR FOREIGN STAFF

IRAN is urging the Organisation of Petroleum Exporting Countries to adopt a formula to adjust oil prices automatically at least every three months, the Middle East Economic Survey said.

The journal quoted Mr. Mohammed Ali Movahed, adviser to the chairman of the National Iranian Oil Company, as saying that Iran would insist on such a formula at the next OPEC conference.

"In this way the consumers will know in advance what the prices are likely to be and there will be no need to take up Ministerial time in conferences," Mr. Movahed said.

The formula would have to cover inflation and currency fluctuations. Iran's present oil production of about 4m barrels a day would continue for a while because it was adequate to meet the Government's financial requirements.

Iran was dissatisfied with the price of Iranian gas exported to the Soviet Union and with world gas prices generally.

Iran, he said, would not export any more gas until it became economic to do so.

The survey said that Iran had raised its contract prices for all grades of crude oil by 21 cents a barrel from August 15 in lieu of reducing credit terms from 60 days to 30 days, as most OPEC members had done recently. Iranian light crude now costs \$22.21 a barrel and heavy crude \$20.11.

Over the weekend it was reported that Iran had cut oil exports by 400,000 barrels a day because of bad weather in the

Gulf, but those were expected to return to normal as soon as the weather improved.

The Governor-General of Khuzestan oilfields, Rear-Admiral Ahmad Madani, was, however, quoted as saying last week that the drop in output

Mr. Youssef Khoshkish, 75, the former governor of the Iran Central Bank, went on trial at the weekend accused of being a "corrupt of the earth," a Koranic charge which can carry the death sentence. Reuter reports from Tehran. The official Pars news agency said Mr. Khoshkish, who resigned three weeks before the February revolution after about a year in office, was being tried by a revolutionary tribunal in the top security jail at Evin, outside Tehran.

The prosecutor read out a long list of charges against Mr. Khoshkish, ranging from being a freemason to reinforcing the Shah's Savak secret police and arranging the transfer of capital out of Iran.

had been caused by a dispute between left-wing and right-wing workers.

During a meeting between a Soviet energy delegation and Hassan Nazih, chief of the National Iranian Oil Company, Russia offer to cooperate with Iran in the oil sector and Nazih was invited to visit Soviet oil installations. At the same time it was announced that

forces rank-and-file were getting impatient with the relentless bloodshed that had spread to the remotest parts of Turkey.

**Bosphorus tunnel study**

THE UNITED STATES Agency for International Development (AID) is to finance a pre-feasibility study on the construction of a railway tunnel under the Bosphorus between the Asian and European sides of Istanbul, writes Merin Munir in Ankara. An agreement between the AID and Turkey is expected to be signed in the next few days, according to a spokesman of the American Embassy.

**Ford Canada strike threat**

Workers at Ford Motor Company of Canada plants here and in Windsor and Talbotville, voted in favour of strike action if a new agreement is not reached by September 14, the United Auto Workers Union said, Reuter reports from Oakville.

**Flying Tiger strike**

All operations of Flying Tiger Airline, the world's largest air cargo carrier, are at a standstill after a strike by 2,000 freight handlers, cargo agents and mechanics, writes AP-DJ in New York.

**U.S. homes hoard oil**

Suspected stockpiling of 1bn gallons of heating oil by U.S. industry and private homes could mean the nation will escape a feared shortage this winter and even face a glut, a Wisconsin Congressman said, reports AP-DJ in Washington.

Representative Les Aspin (Democrat, Wisconsin) said a study he conducted suggests that American homes and businesses bought 1bn gallons more fuel last winter than was needed.

**Taiwan prices policy**

Economic Planning and Development Council Chairman Yu Kuo-Hua has said that Taiwan's Government still adheres to the policy of price stabilisation, according to an economic official, writes AP-DJ in Taipei. He said the policy is intended to cut down the impact of the U.S. recession. The U.S. is Taiwan's largest trading partner.

At a recent Cabinet meeting, Yu, also governor of Taiwan's central bank, reported that trade in July continued to grow, while exports in the same month were a record worth \$1.51bn.

## Israeli gunners 'break ceasefire'

BEIRUT — Israeli gunners broke South Lebanon's day-old ceasefire yesterday, with a shell attack on suburbs of the port city of Tyre, Beirut's State-run radio said.

The decision to hold the special Cabinet session was taken during a regular cabinet meeting. Mr. Moshe Dayan, Foreign Minister, proposed the session in the light of foreign criticism of Israeli actions.

In April this year, Israel altered its policy from one of retaliation for Palestinian attacks on Israel to a policy of hitting guerrilla bases.

Mr. Dayan is reported to have told the Cabinet that Israel should review the effectiveness of the present strike policy.

Israel should evaluate the damage which the guerrillas are sustaining, he added.

The key to these second thoughts appears to be the damage being done to Israel's image abroad by the civilian casualties of the Israeli attacks. These deaths have caused much worry within Israel.

AP adds: President Hafez Assad of Syria conferred in Damascus yesterday with Herr Hans Dietrich Genscher, West German Foreign Minister, who is exploring chances for the Bonn Government to contribute to Middle East peace.

The meeting was attended by Mr. Abdul Halim Khaddam, Syrian Foreign Minister, who held talks with Herr Genscher earlier in the day. The German Foreign Minister is due to proceed to Lebanon this morning for talks with Mr. Fuad Shurub, Lebanese Foreign Minister.

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## U.S. grants car emission relief

BY JOHN WYLES IN NEW YORK

CHRYSLER and American Motors are among five automobile makers which have won relief from U.S. federal government standards governing carbon monoxide emissions.

BL won exemption for two engines, a V12 unit installed in its Jaguar XJ 12 and XJ 5 and a V8 for its Rover 3500; to be sold here shortly and for the new TR8 to be unveiled later this year.

By allowing the manufacturers a two-year delay in meeting regulations affecting some 1981 model engines, the Environmental Protection

Agency is extending some use of the U.S.'s two weakest American Motors.

Car industry representatives believe that if the decision heralds a willingness in Washington to take into account the impact of government regulations on the weaker companies, then further and more important relief from the law on fuel economy and emissions may be attainable.

Chrysler, in fact, is disappointed because it covers only three of its family of eight

engines. However, the three engines represent just under half of the company's output for the year.

Specifically, the exemptions will allow the manufacturers to continue selling engines that emit seven grams of carbon monoxide per mile, a standard that goes into effect for 1980 model engines—rather than the 3.4 grams of carbon monoxide originally scheduled.

## BP suspends long-term oil supplies for Japan

BY RICHARD HANSON IN TOKYO

BRITISH PETROLEUM has informed its customers in Japan that it will suspend all supplies under long-term oil contracts from September 1 because of shortages caused by Nigeria's takeover of BP properties.

The decision to suspend supplies to third party customers was expected and follows successive reductions since the beginning of the year as a result of the crisis in Iran.

BP has long-term contracts to supply about 400,000 barrels of crude a day, but this was cut by 65 per cent for the April-June quarter, by 65 per cent in July, and by 78 per cent this month after the July takeover by Nigeria.

Before the Iranian disruption

BP supplied about 8 per cent of Japan's crude imports.

The setback by BP throughout the world to third party customers comes at a time when the Japanese Government has been emphasising some improvement in short-term oil imports.

During the first four months of the fiscal year which started in April imports are running at about 9.1 per cent ahead of last year, slightly below the Government's planned 9.3 per cent increase.

Officials are much less willing to speculate what will happen from September, however, as Japan enters a period of rising demand.

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## Smith's Party 'regrets' Rhodesian name change

SALISBURY—Mr. Ian Smith's Rhodesian Front has expressed regret at the Zimbabwe Rhodesia cabinet decision to drop "Rhodesia" from the country's name but said it been "inevitable anyway."

Mr. John Landau, the Rhodesian Front chief whip in Parliament, said the necessary Bill to change the country's name to Zimbabwe would go through without difficulty.



## Oman may go ahead with major industrial projects

By James Buxton

OMAN IS to increase Government spending and is considering implementing two big industrial projects as a result of this year's oil price rise and new discoveries of oil.

The planning of a small oil refinery to be built near Muscat, the capital, will be completed by the end of 1979, according to the Ministry of Petroleum and Minerals. It would have a capacity of 25,000 b/d and would be designed to meet local consumption.

The Government has also commissioned a feasibility study for an iron and steel complex from Dastur Engineering International of Düsseldorf, West Germany. It would initially be a re-rolling mill with a capacity

of 120,000 tons a year, but a study of a direct reduction steel plant will also be made.

The Government is to increase its development spending by 7.5 per cent next year, while its recurrent spending will rise by 5 per cent, the budget director says. The Government employees' pay by 10 per cent this year and is thinking of paying them increased allowances.

Until earlier this year Oman was trying to impose curbs on spending in order to reduce the budget deficit, estimated this year at RO 108m (£139m) against total spending of RO 760m.

But the State's cash flow has been greatly improved by the 40 per cent increase in the price of its oil imposed in the course of this year and this has enhanced the commercial viability of a number of recent small oil discoveries.

Though Oman's modest oil output of about 300,000 b/d is 5 per cent down on last year, the decline should now be arrested and the sole oil producer, Petroleum Development Oman, which is managed by Shell, expects to be producing 350,000 b/d from 1981 until at least 1983-84.

In addition Elf-Aquitaine expects to be producing 12,000 b/d from a new field by the end of next year.

## IMF team in Kampala for talks

By John Worrall in Nairobi

THE FINANCING of Uganda's urgent import needs is one of the top priorities being considered by an International Monetary Fund delegation which has arrived in Kampala.

According to the Commonwealth Secretariat's economic report Uganda needs some \$300m in hard currency over the next six months to finance essential imports, including consumer goods, petroleum products, agricultural and manufacturing inputs, transport equipment and spare parts, water, sewerage, telecommunications and housing.

The delegation has had talks with the Minister of Finance, Mr. Jack Senteo, the Governor of the Bank of Uganda and other ministers and officials.

The IMF delegation is studying Uganda's economic management policies before agreeing to release special credits on this scale.

## POLISH TRADE

## Need for new export strategy

By Christopher Bobinski in Warsaw

DESPITE the improvement in the first half of this year Poland's hard currency export performance is running behind plan targets. This adds all the more urgency to the debate on the country's trading future which will heat up at the next party Congress, due to meet early next year, grows nearer.

The Congress, the eighth since the war, will not only be looking at the economic successes and failures of the years since the last Congress in 1975 but will also approve decisions determining policies for the next decade and beyond.

The economic strategy initiated in 1970 foresaw industrial modernisation and growth followed by a period of slower growth accompanied by debt repayments from exports of the newly built plants.

By the end of 1978 Poland's hard currency debt had reached \$15bn and it is becoming increasingly clear that exports are not reaching the levels that planners had earlier envisaged. (Poland's current plan envisages a 9 per cent growth in overall trade, trade with Comecon countries achieving a slightly larger increase than trade with hard currency areas.)

Indeed in a recent article in a party journal Mr. J. Olszewski, the Foreign Trade Minister, admitted as much. Export growth, he wrote, was inadequate not only in relation to Poland's balance of payments needs but also to the country's industrial potential. Despite the investments of recent years "our economy has not yet developed any clear export features" and the 15 per cent share of industrial production which was exported in 1978 "was not much higher than at the beginning of the 1970s," he said.

According to the Minister the recession in the West and protectionist barriers are only partly to blame for this situation. Other factors include

sub-standard production quality, late delivery of goods, a lack of spare parts and after-sales service and simply a shortage of goods for export due to the high level of domestic demand.

In the article, which partly aims at deflecting any blame which might be coming the Ministry's way for the below plan performance in exports on to industry and away from the salesmen, the Minister also explained that investments are taking too long to come on stream and shortages of raw materials and equipment are holding back export production.

But the debate is also concerned with the problem of which areas investment should be directed at to maximise export earnings in the 1980's. So far there seems to be agreement that money should be spent on those areas which have benefited most so far and on opening up new export "specialties".

One of the favourites for future investment is the electrical engineering industry—a wide category which ranges

from minicomputers to ships through cars and mobile cranes. The industry received the largest injection of foreign capital in the 1970s and its share in Poland's exports has risen from 41.7 per cent in 1970 to 47 per cent by last year.

The sections which are being mentioned as good prospects include ships and car sales to Comecon, some machine tools and tractors.

But whichever sector is chosen there are also warnings that the decisions should be less hasty than those taken in the 1970's and that more attention should be paid to future marketing prospects for any goods which may eventually be produced.

There is also a common call for reforms in the management of foreign trade and for increased incentives for producers of export goods.

Mr. Alexander Jung, the head of Metalexport, Poland's machine tool exporting company, writing in the "foreign

trade" monthly broadens the debate. He argues for a decentralised state sales network with the foreign trading organisations being given the powers to initiate production of goods which they know they can then sell abroad.

He also warns that any attempt at substantially reducing Poland's external debt will lead to a slowdown in growth—a drop in real incomes and also a return to autarkic policies. And he draws attention to the consequences of the fact that Poland is destined to trade with the world outside as well as inside Comecon in the foreseeable future.

The system of domestic prices and exchange rates would have to be changed so that they reflect real values, so that decision makers have an indication of what does and does not pay. Competition on the world market might also lead to the closure of some sections of industry and Mr. Jung gives some sectors of the textile industry as an example. He stresses that "uneconomic production cannot be effectively upheld" despite subsidies.

Policies towards the EEC, the North South Dialogue as well as IMF and World Bank membership should be re-examined within the framework of Comecon, as should the lack of progress towards multilateral payments among the Comecon countries.

But despite his arguments for giving a freer hand to Poland's exporters Mr. Jung does not exclude the possibility that the country's economic situation may lead to a growth of centralisation throughout the economy. But he asks, "how long can such a system be effective in conditions where the economy is dependent to a large extent on foreign trade and that means the outside world?" and he warns that such methods could bring "social tensions and a lowering of the general efficiency of the economy."

## UK to buy ships from Rio yards

By our Foreign Staff

THE COMPANHIA Commercial de Navegacao Maua shipyards in Rio de Janeiro has signed a \$62.2m (£27m) contract for the export of three 26,500 dwt cargo vessels to the UK.

The vessels are for the Lyle Motorship Company, and H. Hogarth and Sons of Scotland. The first ship is to be handed over in September, since they were originally being built for the Brazilian domestic market, destined for three subsidiaries of Lloyd Brasileiro in the states of Minas Gerais, Ceara and Sergipe, and are thus in a state of semi-completion already.

Meanwhile, the Brazilian merchant marine superintendent, Sunaman, has announced that, in 1980 Cr13.3bn (£517m) is to be allocated to shipbuilding incentives.

This is a 41 per cent increase on the 1979 budget. Brazil is rapidly building up its domestic fleet and moving on to the vessel export market, in order to reverse its longstanding tradition of vessel imports and charters.

● The Brazilian State Electricity company Electrobras has signed two contracts with the Bank of Tokyo for a total sum of Y20bn (\$100m). Rick Turner writes from Sao Paulo.

The first contract is for a loan of \$50bn with a repayment period of 15 years, with the Bank of Tokyo at the head of a syndicate of six Japanese banks.

The other contract is for \$50m from Nomura Securities, with 10 years to repay and fixed interest of 8.3 per cent per annum, a loan which was to have been made in June but was postponed until after the results of the last OPEC meeting were known.

Electrobras owes \$6.1bn to foreign banks this year, representing 12 per cent of the country's foreign debt (\$50bn).

Since the company has major projects such as Itaipu and Tucuruí hydroelectric power stations still unfinished, it has little choice but to keep on borrowing heavily. This year the company is hoping to borrow a total of \$800m.

● Braspetro, the Brazilian state company which drills for petroleum outside Brazilian territory, is to withdraw from the Colombian Colbras projects.

Its 50 per cent share of the company has been sold to the U.S. company Houston Oil and Minerals for \$28m, together with a further 45 per cent of Colbras shares for \$27m, previously in the hands of Colombian oil companies.

Explaining Braspetro's motives for pulling out of Colbras, the company's director, Jaco de Miranda, said that they were two-fold: Firstly, no petroleum could be expected to Brazil, on the insistence of Colombia, and secondly, the petroleum was sold to the Colombian state oil concern Ecopetrol at an artificially low price.

The Colbras field, in the valley of the Magdalena River in Colombia, was opened in the mid-1970s and entered production in 1977. Its total output in 1978 was 0.68m barrels, an average of some 13,000 barrels daily.

## Nigeria, India in paper project

NEW DELHI—The Indian concern Birla will help Nigeria set up a 2bn rupee (\$11m) paper project, United News of India (UNI) reported.

The projected paper and pulp mill will have an annual capacity of 60,000 tonnes of paper and 100,000 tonnes of pulp, UNI said.

Under the five-year contract with the Nigerian Government, Birla will provide expertise for the establishment and operation of the complex, the second to be set up in Nigeria with Birla's help.

● An export order worth \$250,000 has been won by Powell Duffryn Engineering for container handling units to be used for transporting waste in Ghana. Shipments will start in October.

## Coal exports grow slowly

By our Warsaw correspondent

WEGLOKOS, THE Polish company responsible for coal exports, expects to sell around 41m tonnes abroad this year compared to 40.5m tonnes in 1978, and an article in a Polish monthly suggests that present coal export levels may show no growth over the next decade.

According to Mr Witold Rosowski, Weglokos general director, 26m tonnes of coal will be sold this year to hard currency importers, a slight rise on last year's total of 25.3m tonnes.

Last year 15.5m tonnes went to countries in the European Community, a 4 per cent

rise on the previous year. Exports of Polish coal, which is cheaper than that mined inside the Community, is one of the factors holding up agreement on a subsidy for community produced coal, which would benefit the UK, the EEC's largest coal producer.

Such an agreement would subsidise the price of EEC produced coal down to levels close to Polish, Australian and South African imports.

Despite expansion of the Polish coal industry in recent years the pressure of domestic needs has meant that the share of coal assigned for exports is not growing.

## Sweden considers leasing plan

By William Dullforce, Nordic Editor, in Stockholm

A SWEDISH Government shipping commission has recommended the formation of a State leasing company with a share capital of SKr 600m (£84m) to buy and lease ships to Swedish companies.

It would be able to place orders for new vessels either at Swedish or at foreign yards or take over existing vessels from Swedish companies.

Svenska Varv, the State shipbuilding group, owns or has part shares in over 50 vessels, on most of which its customers have not been able to meet payments. The Riksdag (Parliament) has ordered it to dispose of these ships by 1982.

The leasing company proposal is part of a SKr 2.6bn package designed to reinforce the Swedish merchant navy. Since 1975, when the world shipping crisis hit, Swedish shipowners have sold some 180 tankers and bulk carriers of roughly 10m deadweight tons.

Other items in the commission's package are a SKr 1.75bn expansion of the existing credit guarantee system, a scheme to help companies meet interest payments on loans and new state loans to meet operating costs among the smaller shipping companies.

The commission sees promise

ing prospects for Swedish shipping in the longer term, but only if the merchant fleet can be renovated.

The shipping companies, which have been making heavy losses over the past three or four years and have seen the value of their assets shrink, are in no position to make the necessary investments in the right kind of new vessels.

The combination of a leasing company with State aid for company interest payments will, it is hoped, help solve this problem and prevent the sale abroad of more vessels by companies running into cash difficulties.

The Government to be formed after the September general election is expected to present a Parliamentary Bill incorporating the commission's recommendations later this year.

The commission also suggests that state subsidies for crews' home journeys to Sweden should be continued and that a guarantee be given of no increase in the contributions payable by the shipping companies for crews' State pensions for the next four years.

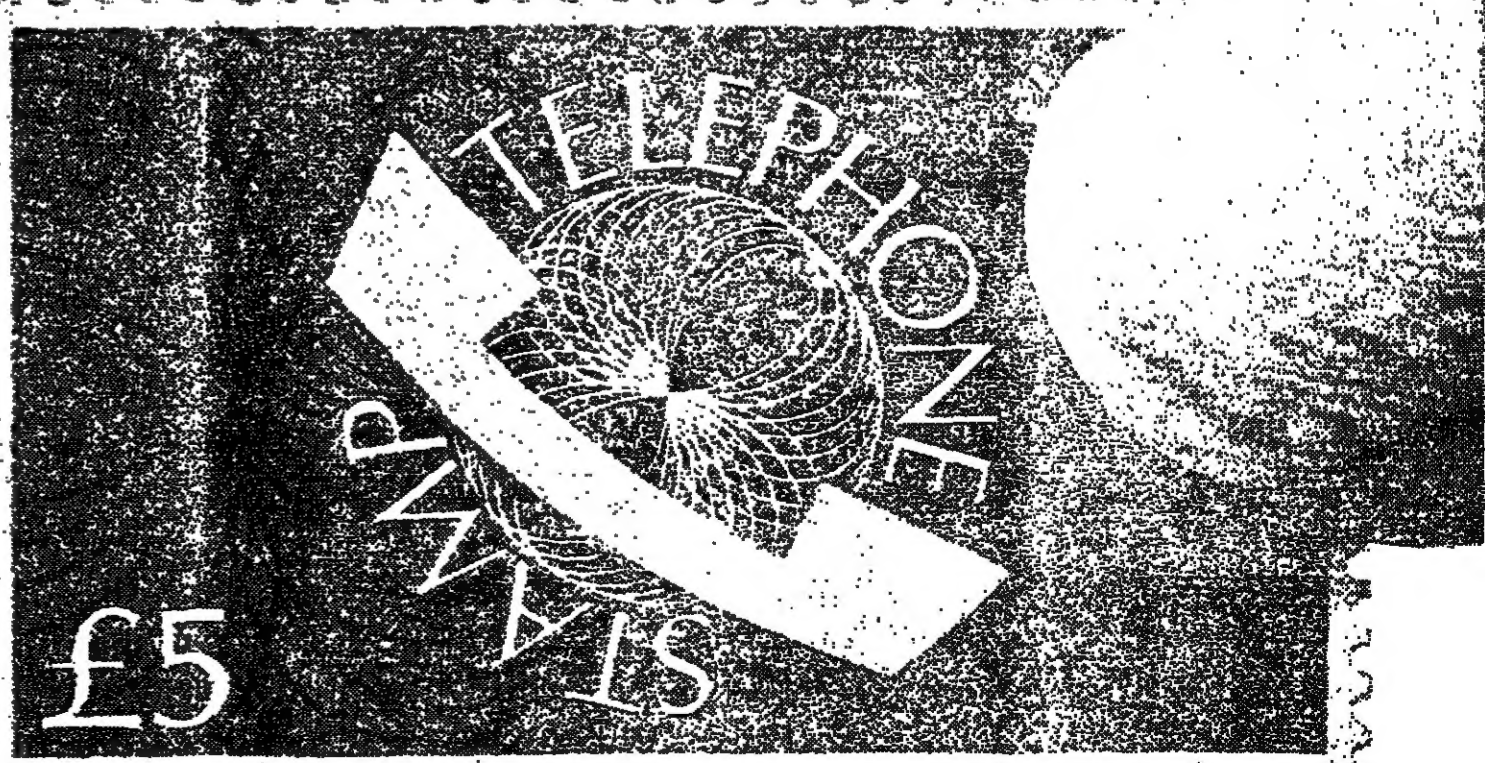
These and other measures are intended to prevent shipowners switching their vessels to other flags.

## World Economic Indicators

		TRADE STATISTICS			
		July '79	June '79	May '79	July '78
UK £ bn	Exports	3.4	3.4	3.5	3.0
	Imports	3.4	3.3	3.9	3.2
	Balance	0.0	-0.3	-0.4	-0.2
France Frs bn	Exports	36,919	34,846	35,202	30,757
	Imports	37,883	35,987	36,425	29,852
	Balance	-964	-1,141	-1,223	-1,095
U.S. \$ bn	Exports	15,026	15,862	13,863	12,126
	Imports	16,937	16,342	17,053	13,723
	Balance	-1,899	-2,480	-3,170	-1,702
Japan \$ bn	Exports	8,510	8,133	7,510	7,954
	Imports	7,400	8,080	7,300	5,019
	Balance	1,110	+0.053	+0.510	2,935
Holland Fls bn	Exports	10,902	10,783	10,839	9,189
	Imports	11,337	11,409	10,288	9,516
	Balance	-435	-626	-249	-327
W. Germany DM bn	Exports	25.7	26.9	25.9	25.6
	Imports	24.0	24.9	22.6	21.7
	Balance	+1.7	+2.0	+3.3	+3.9
Italy Lire bn	Exports	5,008	4,571	4,648	3,996
	Imports	5,717	6,306	5,386	4,293
	Balance	-709	+45	-738	-295
Belgium Frs bn	Exports	143,758	126,227	117,881	125,521
	Imports	148,050	128,160	114,648	133,051
	Balance	-4,292	-1,933	+3,233	-7,530

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# Civil Service cuts approved

FINANCIAL TIMES REPORTER

CIVIL SERVICE Department Ministers, at the centre of the Government's Civil Service staff cost review, have approved a range of options for scaling down the Department's own manpower expenditure by between 10 and 20 per cent.

The Department has overall responsibility for co-ordination and management of the Civil Service. In common with other departments, it has submitted to the Cabinet a list of proposals based on reducing Civil Service expenditure by 10, 15 or 20 per cent by April, 1982.

The list was prepared by CSD officials, and approved by Lord Soames, Lord President of the Council and the Minister in day-to-day charge of the Civil Service. The options include scaling down managerial functions, relaxing controls over pay in outside bodies, and reducing spending on recruitment.

Within the 10 per cent option, a saving of £24,000 could be achieved by moving from weekly to monthly pay cheques. At the 20 per cent level, options include making recruitment less efficient, saving

£118,000; giving up control over Armed Forces' pay, saving £16,000; and cutting personnel management and training.

A separate list details the effects of similar cuts on the Central Computer Agency. Allowing other departments to buy their own computer equipment and reducing studies of technical problems and systems design would make up the bulk of the Agency's savings.

Twenty per cent cuts in the Civil Service Department and the Central Computer Agency would save a total of £5,051m, although it is thought highly unlikely that the maximum cuts of £551,000 would be imposed on the Computer Agency.

The CSD document, in common with those prepared by other departments, is being studied by the Civil Service unions in preparation for a meeting between the national staff side and Lord Soames on September 11.

After the meeting, Lord Soames is expected to take a recommended package covering

all departments to the Cabinet for approval. Cabinet discussions are expected to stretch over several meetings before final details emerge, perhaps in early October.

The Cabinet is likely to approve a "flexible" approach to the cuts—rather than impose a uniform cut on staff spending throughout all departments. This approach would be aimed at resolving differences between departments over the appropriate level of cuts while still reducing public expenditure in

real terms by April, 1982. Current spending on Civil Service wages and salaries is about £3,640m a year. A 20 per cent cut programme would imply the loss of about 150,000 jobs over the two years to April, 1982.

It is likely that the Government will adopt a policy involving only a few compulsory redundancies, taking advantage of natural wastage rates of about 8 per cent a year to make up the majority of the job savings.

## Hoover plans to cut Merthyr workforce

BY ROBIN REEVES, WELSH CORRESPONDENT

MAJOR REDUNDANCIES at Hoover's Merthyr Tydfil washing machine factory, South Wales, the biggest in Europe, are to be discussed at a special meeting of management and unions tomorrow morning.

A letter describing the factory's situation as "extremely serious" was sent to 3,500 production workers at the weekend. It said that the company planned to transfer manufacture of export washing machines to another company, probably on the Continent, with loss of certain 700, perhaps 1,200 jobs at the plant, which has 4,250 workers.

It would shelve indefinitely launch of a new range of automatic washing machines planned for next month, and suspend, with effect from next Monday, the factory's generous sick-pay scheme in a bid to cut down absenteeism, which has been as high as 20 per cent.

The immediate objective is to end an eleven-week work-to-rule by the production workers, dissatisfied with the terms of a pay deal.

An offer of a £10-a-week bonus for nine weeks in exchange for normal working was rejected by the men last week despite a union recommendation to accept.

But the announced cuts have been accompanied by accusations from a management spokesman that employees are "work-shy," and indications that even more drastic reductions in Hoover's Merthyr operations are under active consideration.

They may affect employment at the company's Cambuslang factory in Scotland, which makes electric motors for all Hoover domestic appliances made in the UK.

Besides labour troubles Hoover has suffered from sterling's firmness. This was largely blamed for the UK company's £1.8m loss after tax reported earlier this month, compared with a £2.7m profit a year ago.

Export production will be phased out at Merthyr "as soon as the commercial and styling arrangements have been completed." If the move proved "economical," the arrangement could be extended to machines intended for the home market.

A number of appliances marketed in the UK under the Hoover label are already made by other companies abroad, including refrigerators in Italy, dishwashers in West Germany and deep-freezers in Denmark.

The latest planned redundancies are another serious blow to employment prospects at Merthyr, where Hoover is the dominant employer in a valleys town with very limited employment opportunities.

Only just over two years ago Hoover announced a large pension scheme at Merthyr, for which the Welsh Development Agency is building an £11m factory next door, which promised a rise from 5,500 to 8,000 jobs by the early 1980s. This has long been postponed indefinitely.

## Grocery prices fall for second month

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A FURTHER sharp fall in the cost of fresh fruit and vegetables has led to the second successive monthly fall in the Financial Times grocery price index.

The index for August stands at 114.16, a decline of only 0.63 percentage points over the month.

Apart from the fall for fresh fruit and vegetables, the results for processed foods showed little change. That highlights the continuing determination of all types of grocery retailers to keep prices competitive.

The FT shopping basket is based on data collected by 25 shoppers who monitor a list of 100 grocery items each month in the same food stores of all types and sizes throughout the UK. It is not an absolute guide to food price movements, but is intended to act as an early indicator of trends in food prices.

That is especially relevant now that most Government food price surveys, apart from the main retail price index, have been abandoned in Whitehall economy drives.

Fresh fruit and vegetables in the basket fell in cost from £245.81 in July to £220.88 in August. The main cause of the fall in prices, according to FT shoppers, was cheaper tomatoes and cauliflowers.

Tomatoes were generally 10p a pound cheaper and cost 25p a pound in many shops. Cauliflowers were also about 10p cheaper each, and cost about 30p each.

Although the prices of fresh fruit and vegetables generally came down in summer, one FT shopper this month suggests that in her area the supermarkets are cutting prices more than normal to remain competitive with small shops.

Meat was also slightly cheaper in general this month, with the cost of the meat section of the basket down from £392.63 to £489.54. This is due mainly to

more beef and lamb coming on to the market.

FT shoppers found that top-side beef was selling at £1.68 a pound, while lamb was about £1.90 a pound. Sausages and bacon were a little dearer.

Dairy produce was more expensive this month, which largely reflects the higher butter price caused by the switch to larger metric packs. There appear to have been no changes in food prices.

Cereals were dearer because of industrial disputes at some manufacturers, which led to higher demand for cereals still being supplied.

Frozen foods were generally cheaper, mainly in the case of the FT shopping basket, because of cheaper frozen chickens.

It seems likely that the grocery index will begin to creep up again next month as fruit and vegetables become more expensive. But it is also expected that the big supermarket multiples will by then have started their traditional autumn promotional offensive.

Tesco and J. Sainsbury are still the dominant multiples, accounting for nearly a quarter of the market between them. Both are expected to launch a new advertising campaign emphasising the cheapness of selected items and the overall competitive prices.

There seems little prospect, therefore, of an end to the price war for most packaged groceries. However, the effect of the EEC and world markets will largely determine the fluctuations in dairy products and meat over the coming months.

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### FINANCIAL TIMES SHOPPING BASKET

	AUGUST, 1979	
	August	July
Dairy produce	557.32	551.40
Sugar, tea, coffee, soft drinks	178.93	176.77
Bread, flour and cereals	261.42	260.24
Preserves and dry groceries	96.50	96.45
Sauces and pickles	43.87	43.43
Canned goods	168.29	166.65
Frozen foods	202.34	204.74
Meat, bacon, etc. (fresh)	489.54	492.68
Fruit and vegetables	220.98	245.81
Non-foods	206.21	201.86
Total	2,426.42	2,439.83

Index for August: 114.16  
1978: March 100; April 101.77; May 103.11; June 104.13; July 102.41; August 101.89; September 101.90; October 101.77; November 103.67; December 105.10.  
1979: January 108.54; February 108.65; March 109.12; April 110.88; May 113.59; June 116.02; July 114.79; August 114.16.

## Shop staff seek big Christmas break

By Our Consumer Affairs Correspondent

WITH 100 shopping days until Christmas, the shop workers' union is negotiating for a four-day break for shop staff over the holiday.

The Union of Shop Distributive and Allied Workers, which has 1m members, has submitted a claim to major retail groups that stores should be shut after trading on Saturday December 22 and re-open four days later on Thursday, December 27.

The union said that Debenhams had already agreed to its claim. Debenhams yesterday confirmed that its Oxford Street store would be shut for four days over Christmas.

According to USDAW, a four-day holiday over Christmas had been achieved in several stores last year. Many Oxford Street retailers, in particular, had shut for four days.

The union believed that its claim for a similar break this year was justified by the longer holiday over Christmas given by many companies to their workers, lasting for up to two weeks in some cases.

## European building societies to meet

By Michael Cassell

THE SIXTH European congress of building societies is to be held in London from September 24 to 28.

Members of the European Federation of Building Societies will be attending the conference. These comprise almost exclusively the specialist institutions which attract private funds to finance house purchase.

Speakers at the conference, which will be hosted by the Building Societies Association, will include Mr. Roy Jenkins, President of the EEC Commission, Mr. John Biffen, chief secretary to the Treasury and Mr. Leo Tindemann, former Belgian Prime Minister.

The conference is the first to be held in the UK. It comes as British building societies are beginning to formulate plans for their expansion into Europe. So far, only the Abbey National has established itself on the Continent, with a representative office in Brussels. The movement, however, faces substantial difficulties before any full-scale European operation can get underway.

Building societies have no powers to operate their traditional business outside the UK. The law limits their lending on freehold and leasehold land to this country and legislative changes will be essential before any move in the Continent.

Societies also face the further problems of exchange rates and currency movements, and must decide whether or not borrowers should be expected to bear any resulting losses.

An appraisal of each European market would also be necessary. The societies have stressed that foreign operations would be self-financing. There would be no question of money raised in the UK going to finance house purchase abroad. However, it was entirely possible that finance raised overseas might be remitted to the UK.

## Microprocessor controls for 24 Coal Board pits

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NATIONAL Coal Board is to equip 24 pits with microprocessor control systems developed at one of its research centres, at a cost approaching £10m.

These pits will be operated from a central control station on the surface, through a network of microprocessors managing coal clearance, coal preparation, monitoring of mine ventilation, and other major underground activities.

MINOS—the NCB's mine operating system—is believed to be the most advanced electronic system of mine control in the world.

The development team says that MINOS could lead to a dramatic improvement in mine productivity, of the kind the industry enjoyed when it introduced the Anderton coal shearer in the 1960s.

It could lead eventually to almost completely automated coalmining, in which the main tasks of the underground workers would be repair and maintenance.

Piecemeal demonstrations of MINOS have been operating at eight British pits for up to two years, to prove the reliability of the computer programs and

sensors developed by the NCB's Mining Research and Development Establishment at Bretby.

All use a standard mini computer, peripherals and software, and all conform to the same standards of safety, reliability and performance.

In developing MINOS, the researchers have been acutely aware of past NCB failures with the automation of mines. The most spectacular failure, in the late 1960s, was the highly automated Beyercoates pit, where neither the electronics nor the geology proved reliable enough.

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monitors them several times a minute, round the clock. Any fault it may find is displayed on a central control console at the surface, and the operator relays the news back to miners underground.

A microprocessor-based scheme for controlling coal clearance costs about £250,000 to install, Bretby estimates. A similar scheme to automate environmental control on three faces would cost about £250,000.

The most difficult challenge for Bretby, however, is to apply MINOS to the coal-cutting operation itself. In effect it means equipping the massive Anderton Shearer—the latest version of which draws 300 kilowatts of power—with inertial guidance so that it knows where it is and where it is going in the coal seam. It will also require a "radar" to warn it in plenty of time if there is anything but coal ahead.

Bretby collaborates closely with the German coalmining research centre, Steinkohlebergbauverein, and also receives grants from the European Coal and Steel Community totalling £4.25m last year.

### Main testbed

Instead of attempting another demonstration of a completely automated mine, the NCB selected different pits to test specific facets of MINOS.

At Bagworth colliery, the main testbed of the Bretby research team, MINOS has gradually taken over control of items of underground plant.

—21 conveyor belts, two bunkers, two vibrators and two pumps.

Coal transfer points are fully automated, and the computer

## UDA denies that its members are in Protestant death groups

BY STEWART DALRYMPLE IN BELFAST

THE ULSTER Defence Association has angrily denied that any of its members form part of Protestant paramilitary killing squads.

Its denial comes after newspaper reports, two British, one Irish, that new Protestant paramilitary groups have been involved in killing and injuring alleged Republican leaders.

The suggestion that a new group running these squads exists stemmed from reports by three journalists who said that they were taken blindfold to meet seven hooded Protestant paramilitary fighters and were shown weapons.

The group refused to give its name but said that it formed a new organisation divided into a cell system. It said that its members were drawn from the three main "loyalist" paramilitary groups, the Ulster Defence Association, the Ulster Volunteer Force and Red Hand Commando. Most of these groups have observed a ceasefire for two years.

The UDA is a legal organisation which in recent months has been concentrating on political activities. Four months ago, it produced a blueprint entitled Beyond the Religious Divide, which called for an independent Ulster.

The men who spoke to the journalists said that their group wanted the Government to recognise that a war existed. The group demanded a referendum on independence, and warned the Provisional IRA and the Irish National Liberation Army that "by killing 75-year-old Protestant men on their way to work, by blowing to pieces Christian men in their cars and by burning pensioners out of their old people's homes, you can only serve to incite the loyalist paramilitary to arms once again."

The UDA said yesterday that the warning was meant as a safety valve. It agreed that the new squads probably existed and said that they must have timed their announcement to coincide with the UDA's warning.

Police said that they could not confirm that leading Republican leaders had been killed by Protestant paramilitary fighters were responsible. They said that the newspaper allegations would be thoroughly investigated.

physical descriptions and habitual movements. Police sources were said to have acknowledged that four of the fighters were substantially correct.

Although the UDA has vigorously denied that any of its members are party to the new group, the allegations came only a week after the UDA itself threatened a switch in emphasis towards paramilitary activity. That followed a public show of strength by the Provisional IRA on August 12.

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## Shipping market turns healthier

THE IMPROVEMENT in the world shipping market brought the volume of shipping idle at the end of July to its lowest level since June, 1975, according to General Council of British Shipping figures published today.

However, the UK continued to have a higher proportion of its fleet laid up than the average for the world's shipping nations.

Britain had 24 vessels, totalling 2,23m dwt idle, or 5 per cent of its merchant tonnage. That compared with the world's total of 487 ships, at 17.61m dwt, or 3 per cent of its fleet.

Britain also had a greater proportion—8 per cent—of its oil tanker fleet idle: double the world total of 4 per cent. More than 2m dwt of tankers and 119,000 dwt of dry cargo vessels were not working in the UK.

The general council said, "These latest figures show the 15th successive monthly decrease in laid-up tonnage. At long last, we might be coming out of the recession."

"The improvement in the market is welcome and encouraging, but we think it is too early to say we have turned the corner in Britain and the world.

The uncertainties we fear are the oil price and supply situation, and more important, the inflationary pressures, which might push trade back into a new recession."

Although higher crude-oil prices resulting from the Iranian crisis pose worrying long-term questions for world trade, the impression is growing that the shipping sector, which sank to the low point of

the recession last summer, is now over the worst.

"An increase in the rate of scrapping older ships and in response to higher freight rates, more laid-up vessels being put to work again have improved the market."

Bulk cargo rates in particular rose as a result of increased chartering of grain ships to counter the poor Soviet

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## Three-year delay urged in banking union reform

BY NICK GARNETT, LABOUR STAFF

DELAY of up to three years in completing some of the proposed changes in English clearing bank staff representation is the principal element in the second report by Dr. Tom Johnston into the banks' union structure.

The main proposals of the first report ten months ago are virtually unchanged. Dr. Johnston is chairman of the Scottish manpower services committee.

The proposals involve a three-tier system in the industry—a TUC-affiliated finance union, a clearing bank union for representation in the five clearing banks, and domestic services within each of the banks.

The new structure, to replace much of the banks' bargaining machinery, which has been in a state of disarray over the past two years, would be formed out of the existing Banking, Insurance and Finance Union and the staff associations at Barclays, National Westminster and Lloyds.

The document reflects considerable exasperation at the entrenched positions of the union and the staff associations on certain vital issues.

It is also more strident in trying to push the parties towards an accommodation, and although there has been growing pessimism that the talks will

eventually founder, Dr. Johnston still ends on a fairly optimistic note.

"I urge the parties to take the plunge," he says.

### Differences

Principal differences have been over where power should lie—in the domestic machinery or in the clearing bank union—and the relationship between the CBU and the new umbrella union. TUC affiliation, which the associations have not been keen on, has also proved a problem.

The new document says that the TUC-affiliated umbrella body and the CBU could have separate certificates of independence but not the domestic tier bodies. These latter, however, would be responsible for domestic negotiations and in the first instance, recruitment.

At the beginning of any new staff representation structure, existing systems of direct representation—for example, to a domestic tier body—should remain. There would then be a gradual process of clarifying the separate representation units within the system.

There is no recommendation on triple membership of the three tiers but the new proposals suggest a three-year period for harmonising subscriptions. There is also a suggested

three-year period for standardising terms and conditions for union officers.

The report says geographic structuring which, along with sectionalisation, is a feature of the Banking, Insurance and Finance Union, should only be instituted if this was felt necessary once the new representation structure was operating.

Dr. Johnston says the staff associations have had a "myopic" view on domestic autonomy and have been over-

### More Home News, Page 12

protective of their own membership. He is also critical of the National Westminster staff association ballot on TUC affiliation.

He argues that the Banking, Insurance and Finance Union, formerly the National Union of Bank Employees, should have delayed changing to its new name, which has only increased anxiety among staff associations about their position in a new structure.

He also criticises the union for agreeing, in defiance of the executive, at its annual conference this year that direct membership should be to the TUC-affiliated body.

## World tributes flood in for Lord Louis

LORD MOUNTBATTEN was born a prince and was related by blood to most of Europe's royal houses. But he will be remembered mainly for his long and successful military career and for the part he played in the transfer of power when India was granted independence in August 1947.

At Buckingham Palace a spokesman said: "The Queen was deeply shocked to hear of the death of Lord Mountbatten." Reports of his death reached the Queen on holiday at Balmoral with other members of the Royal Family.

French police told Prince Philip of the death of his uncle while the Prince was on his way to take part in an international equestrian event in Normandy.

Prince Charles, on an angling holiday in Iceland, was told of Lord Mountbatten's death by his private secretary.

King Carl Gustaf of Sweden was deeply saddened to learn of the death of his great uncle, a palace spokesman said. "It was completely unexpected, a tragedy about which the King feels a great personal grief. This is a very close family."

Dr. Donald Coggan, the Archbishop of Canterbury, said: "It was my privilege to know him and I noticed his deep care for people, particularly for individuals in their needs and sorrows. He was a kind of wise father figure within the Royal Family."

### Strength

Tributes to Lord Mountbatten poured in last night. Lord Home, the former Prime Minister, said: "He was a man of very strong character and strength of mind and with all these qualities, a most attractive personality, full of enthusiasm for any task which he undertook."

"During his tenure as Chief of the Defence Staff he was a constant source of strength to any defence secretary or foreign secretary or Prime Minister of the day. His advice was always objective and professional."

Admiral Sir Terence Lewin, First Sea Lord, who takes over as Chief of Defence Staff in September, said Lord Mountbatten "more than any other of the wartime leaders was the hero of my generation. He was always an innovator, ahead of his time, always a tremendous enthusiast. And we were inspired by his example."

Above all, he always had time for people, particularly those who had served with him

in the past, and it was this coupled with all his great professional attributes, that made him a legend among servicemen."

Neelam Sanjiva Reddy, India's President, said in a message of condolence to the Queen: "That he was invited to be independent India's first Governor-General was a tribute to Lord Mountbatten's statesmanship, sagacity and wisdom. He will always occupy a place of honour among India's friends and well-wishers."

Mrs. Indira Gandhi, former Prime Minister of India and daughter of the late Jawaharlal Nehru, India's first Prime Minister, described Lord Mountbatten as "an extraordinary personality," and added: "India has lost a dedicated friend."

Lord Mountbatten was born at Windsor on June 25, 1900, the younger son of Admiral of the Fleet, the first Marquess of Milford Haven and Princess Victoria of Hesse, the granddaughter of Queen Victoria, who held him at his christening.

He was known as Prince Louis of Battenberg until 1917 when his father relinquished his German title and assumed the surname Mountbatten.

At that time his father, Prince Louis of Battenberg, was First Sea Lord but he resigned under pressure from the wave of anti-German sentiment which swept Britain.

This indignity suffered by his father—Austrian-born but a naturalised Briton who was a prominent performer in the Royal Navy—was a driving force behind Lord Mountbatten's ambition to emulate his father and become First Sea Lord.

In 1955, after 42 years in the Navy, Lord Mountbatten's ambition was fulfilled when Winston Churchill appointed him First Sea Lord, the first son ever to succeed his father in the post.

One of Lord Mountbatten's first acts on his appointment was to hang a portrait of his father in his office, the same one as his father also occupied.

His career in the Royal Navy started in 1913 when he joined as a cadet. He saw more than two years' service at sea in the First World War.

In July, 1922, he married Edwina Ashley, granddaughter of the financier, Sir Ernest Cassel, and reputedly possessor of a £12m fortune. Lady Mountbatten went on to make her own name in a devoted lifetime of charity work. She died in 1980.

In the outbreak of the Second World War, Lord Mountbatten was in command of the Fifth Destroyer Flotilla in the Pacific. HMS Kelly, which played a notable part in the early campaigns of the war around Norway and Crete.

As Chief of Combined Operations in 1942 and 1943, he used the experience gained in the

Vaagso, Brunelval, and St. Nazaire raids and the reconnaissance in force at Dieppe, to help plan both the North African invasion in 1942 and the invasion of France in 1944. He helped devise the Mulberry artificial harbours which aided the D-Day invasion, and PLUTO (the pipeline laid under the ocean).

Before the invasion took place, however, he had been appointed, in the autumn of 1943, Supreme Allied Commander of the newly-formed South-East Asia Command, with the acting rank of Admiral, the youngest Admiral in the history of the Royal Navy and by far the youngest Supreme Commander.

In September, 1945, he officially received the Japanese Army's surrender at Singapore. After the war, in March 1947, he was temporarily detached from the Royal Navy to become the last Viceroy of India. As Viceroy he solved the hitherto intractable problem of how to transfer power in less than five months. In August 1947, after the transfer, he was invited by the Indians to become their first constitutional Governor-General and stayed for 10 months.

Winston Churchill refused to speak to him for a time after his return from India because he and other British Conservatives resented Lord Mountbatten negotiating the end of the British Raj under a Socialist

Government at home. They opposed the Mountbatten plan to create a Moslem state of Pakistan, a partition which led in thousands of deaths to Hindu-Muslim riots.

In 1959 he became Chief of the UK Defence Staff and chairman of the Chiefs of Staff Committee, from which post he retired in 1965. As Chief of Defence Staff he was responsible for welding together Britain's defence services into one administrative organisation whereby the former Admiralty, War Office and Air Ministry became departments within the unified Ministry of Defence.

### Mission

Following his retirement, after 52 years in uniform, he went on a fact-finding mission on British Commonwealth immigration and then conducted an inquiry into security at Britain's prisons after Russian agent George Blake escaped.

In 1967 he took on his last "crusade" as the first president of the International Council of the United World Colleges, an educational project to promote international understanding.

He once said in a newspaper interview: "As more and more history is being written, I think it will be judged that I didn't do too badly. Mine is just a normal, decent approach to life and if this was general, there would be no more wars and more happiness in the world."

## Peaceful-haunt of fishermen and tourists

MULLAGHMORE, Co. Sligo, was a typical seaside village best known to fishermen and a few holidaymakers until yesterday's grim killings.

The village, sited a few miles south of Donegal on the wide sweep of Donegal Bay, had experienced little out of the ordinary since an American Flying Fortress made a forced landing there during the war.

Looking north from Mullaghmore beach, the Donegal coastline gleams across the bay. In the other direction, Ben Bulbin, the mountain immortalised in his poetry by W. B. Yeats, rises majestically in the distance. All this can perhaps best be seen from Classy Bawn, the castle perched on a peninsular

above Mullaghmore where Lord Mountbatten was a regular visitor.

The castle was built in 1856 as a summer residence by the British Prime Minister Lord Palmerston, and was subsequently left to the Mountbatten family on Palmerston's death.

More recently, the 10-bed roomed house and 1,500-acre estate has been rented as a holiday home to Mr. Hugh Tunney, a millionaire businessman. One condition of that lease, however, was that "Mr. Mountbatten" or "Lord Louis" as he was affectionately known locally, could stay there for one month each year. That month was invariably August.

Whoever planted yesterday's bomb would not have had

much difficulty in establishing the movements of their victim. Although "accompanied permanently by a plain clothes police detective whenever he left the castle, Lord Mountbatten regularly strolled about the village and frequently went to sea in a clinker-built sailing boat. The 26-foot green and white half-decker craft was moored in Mullaghmore harbour and was well known in the village.

"It was a very sturdy vessel built specially for Lord Mountbatten by a local craftsman," Mr. Joe Jennings, a former journalist brought up in the area and now a frequent visitor there, recalled yesterday. "I was in Mullaghmore about a fortnight ago, and I saw him drive down to the

harbour in his Peugeot station wagon. He used to take the wheel of the boat himself."

There seems little doubt but that Lord Mountbatten was well liked by local residents and that he was greatly attached to the North Sligo coast. Observers say he enjoyed being treated as just another tourist.

It was well known, of course, that their distinguished visitor had a military past, but there was no personal animosity in spite of a fairly strong nationalist sentiment in the area.

Lord Mountbatten impressed many Irishmen when a few years ago he revisited the country for the funeral of Eamonn De Valera, the Republic's longest serving President.

### Clerical staff picket courts

STRIKING clerical staff picketed four inner London magistrates' courts yesterday in their fight for a pay offer similar to that made to civil servants. The members of the Civil and Public Services Association and the Society of Civil and Public Servants, picketed Bow Street, Old Street, Camberwell and Horseferry Road courts. They have refused a 9.4 per cent offer from the Home Office, and are demanding rises of 20 to 30 per cent.

### Joint talks seek end to coastal dockers' strike

JOINT TALKS will be held in Liverpool today to try to end the seven-week strike of 280 coastal dockers employed by the Mersey Docks and Harbour Company.

On Sunday, 2,000 of the other 3,500 dockers employed voted to give the company one more week to reach agreement on the claim for an extra £2.50 to £3 a day for weekend work.

Both management and shop

stewards are anxious to avoid an all-out strike which would halt the port. The outcome of today's meeting will be reported to the strikers on Friday.

● Tugboatmen refused to move ships in Liverpool's North Docks at the weekend in protest at the Mersey Docks and Harbour Company decision to close the Langton Dock river entrance at weekends on grounds of economy.

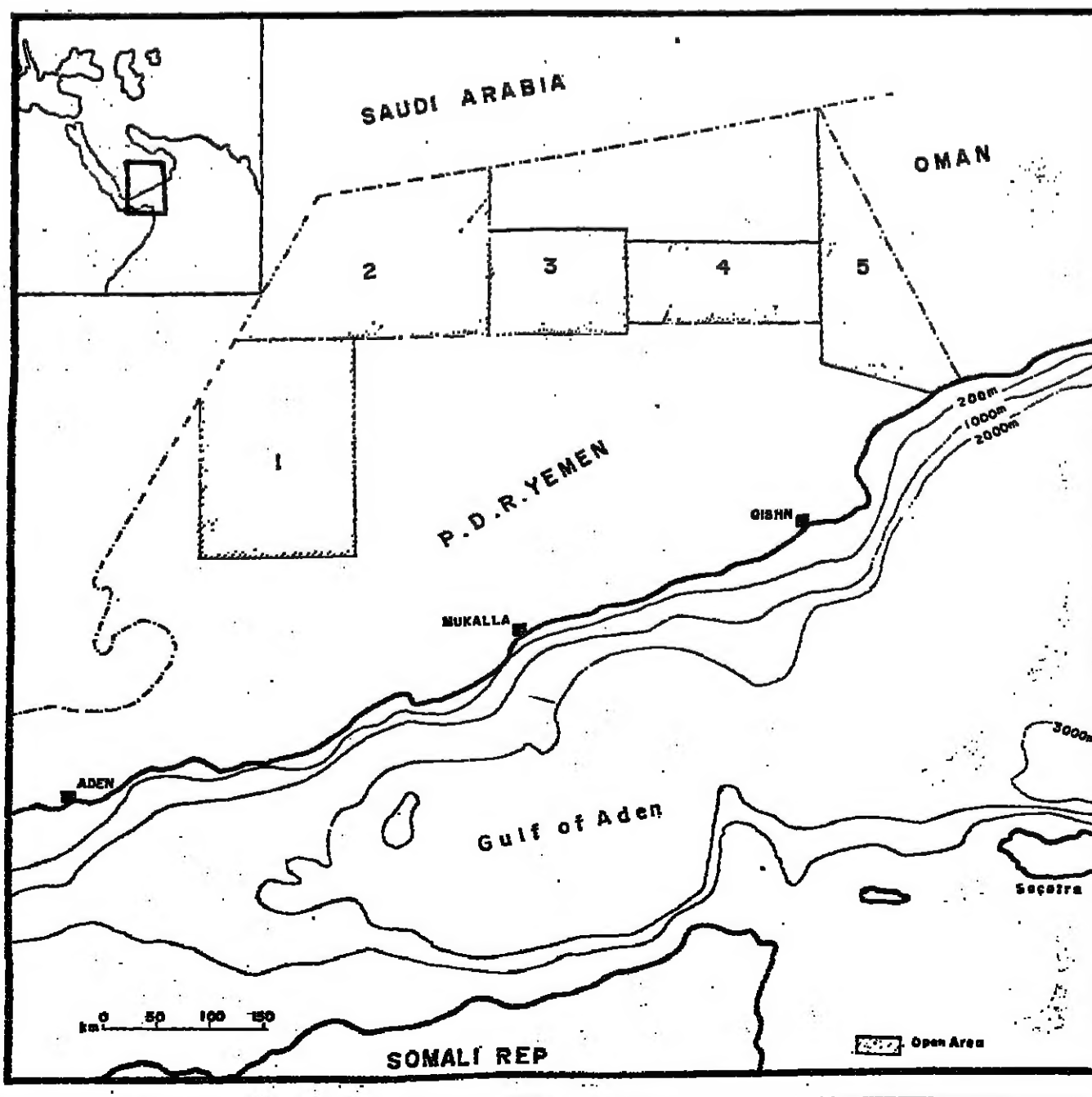
## CONTRACTS AND TENDERS

### OIL EXPLORATION AND EXPLOITATION INTERNATIONAL BID

Peoples Democratic Republic of Yemen (P.D.R.Y.) Petroleum and Minerals Board (P.M.B.)

announce the offering of the below shown open areas (Nos. 1-5):

1. Terms are based on "Production Sharing."
2. Minimum obligation should be supported by Letter of Guaranty, but not less than Seismic Survey and drilling of two wells within the first three years.
3. Cost of recovery out of 40% for company. The rest 60% is split between P.M.B. and company.
4. Data is available for investigations at P.M.B. Office, Aden.
5. For further information communicate with Cable: YNOC, Aden. Tel. 24155/24993. Telex: 215 AD. P.M.B. Chairman.



### ARGENTINA

BELLA VISTA S.A. (E.I.)  
SUGAR COMPANY

INTERNATIONAL CALL FOR TENDERS  
(LAW No. 21976)

Sale as a unit of an agricultural-industrial area comprising one sugar factory, alcohol distillery and sugar cane planted fields, all located in the Province of Tucuman (Argentina). Without base.

Terms of payment: 10% on adjudication, 15% on possession and balance up to sixty (60) months. Specification sheets available at 575 San Martin Street, 2nd Floor, Office No. 15, Tucuman, Argentina. Price: AP 1,000,000.

Opening of Tenders: 12th September, 1979, at 4 p.m., at 120 Defensa Street, 5th Floor, Buenos Aires, Argentina.

Submitting of Tenders: Until one hour before time limit at 120 Defensa Street, 5th Floor, Office No. 5083, Buenos Aires, Argentina.

Information: 575 San Martin Street, 2nd Floor, Office No. 15, Tucuman, Argentina, or at C.O.N.A.S.A. main offices, 1070 Cerrito Street, 11th Floor, Buenos Aires, or at 179 Rivadavia Street, Tucuman, Argentina.

Trust Receiver

### THE MAURITIUS SUGAR TERMINAL CORPORATION

BULK SUGAR TERMINAL — PORT LOUIS  
TRACTOR AND MOBILE CRANE

CONTRACT No. 13A

Tenders closing at 1.30 p.m. on Wednesday, 17th October 1979, are invited for the following works for the Bulk Sugar Terminal at Port Louis, Mauritius, in accordance with the Specification and General Conditions of Contract for Contract No. 13A.

The Contract is for the supply and delivery free into store on the Site of a Tractor Mounted Mobile Hydraulic Crane of maximum lifting capacity 8 tonnes, with hydraulic winch and one industrial Tractor of approximately 50 h.p.

Specification and General Conditions of Contract may be examined at the offices of the Consulting Engineers, Macdonald Wagner & Pridde Pty. Ltd., at Port Louis, Mauritius, and at North Sydney, N.S.W., Australia, and also at the Mauritius High Commission, 23/25 Elvaston Place, London, S.W.7, England, and the Mauritius Embassy, 68 Boulevard de Courcelles, 75017, Paris, France.

Specification and General Conditions of Contract for companies registered in Mauritius may be obtained from Macdonald Wagner & Pridde Pty. Ltd., Rogers Automotive Building, Cnr. Edith Cavell & More Barristers Streets, Port Louis, and for companies registered in all other countries, they may be obtained only from Macdonald Wagner & Pridde Pty. Ltd., 100 Miller Street, North Sydney, N.S.W., 2060, Australia. Telex No. 20826. The non-refundable charge for each set of documents obtained in Mauritius is 360 Mauritian Rupees and 50 Australian Dollars in Australia.

Envelopes endorsed "Tender for Contract No. 13A, Tractor and Mobile Crane, Bulk Sugar Terminal, Port Louis" and containing a Tender accompanied by a Tender Deposit are to be addressed to the Chairman, The Sugar Terminal Board, 4th Level, New Government Centre, Port Louis, Mauritius, and lodged in the Tender Box, at the office of The Chairman, The Sugar Terminal Board, 4th Level, New Government Centre, Port Louis, Mauritius, or posted from overseas to reach the Chairman on or before the closing time and date.

The Corporation does not bind itself to accept the lowest or any tender and will not assign any reason for the rejection of a tender.

The Mauritius Sugar Terminal Corporation

### PLANT & MACHINERY SALES

- 1) ROLLING MILLS  
20in x 30in x 350 h.p. Two High Reversing Mill.  
5in x 12in x 10in wide variable speed Four High Mill.  
3.5in x 8in x 9in wide variable speed Four High Mill.  
10in x 16in wide fixed speed Two High Mill.  
10in x 12in wide fixed speed Two High Mill.  
6in x 16in x 20in wide Four High Mill.
- 2) CUT/LENGTH LINE 1,000 mm x 2 mm.
- 3) CUT/LENGTH LINE 750 mm x 3 mm.
- 4) CUT/LENGTH LINE 400 mm x 3 mm.
- 5) WIRE FLATTENING AND NARROW STRIP ROLLING MILL  
two stand by rwt. 10in x 8in rolls.
- 6) SLITTING LINE 920 mm x 10 ton coil by Cam.
- 7) SLITTING LINE 300 mm x 1 ton coil by Cam.
- 8) SLITTING MACHINES 36" and 48" by Weybridge.
- 9) 350 h.p. REVERSING MILL 20in x 30in rolls, Farmer Norton.
- 10) PLATE SHEAR 4ft x 1in Cincinnati.
- 11) GUILLotine 8ft x 0.125in Pearson.
- 12) No. 1 FICP SCRAP SHEAR, 75 x 35 mm bar.
- 13) SHEET LEVELLING ROLLS, 920, 1,150 and 1,850 mm wide.
- 14) HYDRAULIC SCRAP Baling Press, Fielding & Platt.
- 15) FORGING HAMMER 3 cwt, slide-type, Massey.
- 16) VACUUM FURNACE 100 kw, Herdikerhoff.
- 17) AUTOMATED COLD SAW, non-ferrous, Noble & Lund.
- 18) WIRE DRAWING MACHINE 6 BLOCK (16in), Arboga.
- 19) WIREDRAWING MACHINE 6 BLOCK (22in), Marshall Richards.
- 20) 1972 WIRE STRAIGHTEN AND CUT-TO-LENGTH MACHINE, Max. capacity 10 mm dia. m.s.
- 21) HORIZONTAL DRAW BLOCK 30in, Farmer Norton.
- 22) BAR & TUBE REELING MACHINE (2in), Platt.
- 23) WIRE DRAWING MACHINE 9 DIE cone type, Unity.
- 24) WIRE DRAWING MACHINES 15 DIE cone type, Marshall Richards.
- 25) COMPLETE BICYCLE RIM MANUFACTURING PLANT for disposal, capacity 300 rims per hour.

Wedenbury Machine Co. Ltd.

Oxford Street, Bliston,

West Midlands.

Tel: 0902 42541/2/3. Telex 336414

### McKay 8" SHEET METAL PROCESSOR

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WICKMAN 2 1/2 65P AUTOMATIC, Reconditioned.

CINCINNATI CENTRELESS GRINDER, Excellent

1500 TON CLEARING D A PRESS Bed 180" x 96"

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LUMSDEN GRINDER 84" x 24" magnetic chuck

FISCHER COPY LATHE TYPE 18/150

NATIONAL COLD HEADERS 1 1/2" x 1 1/2" dia. recon.

BARBER & COLMAN 16-16 HOBBER, as new

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154/6 Blackfriars Road, London SE1 8EN

Tel: 01-928 3131 - Telex: 261771



# Building and Civil Engineering

## £18m road contract in Essex

MID-SEPTEMBER will see the start of an £18.4m contract which the Department of Transport has awarded to Wimpey Construction to build the Mark Dyke to the east of Grays dual carriageway trunk road in Essex.

The two-year project comprises two sections of 11 metre dual carriageway, totalling 7 kilometres, and one section of 7 kilometres of 7.5 metre dual carriageway, forming an eastern by-pass of Grays. Three grade separated interchanges and a roundabout are also part of the contract.

Excavation of 1.5m cubic

metres of earthworks includes considerable industrial and domestic refuse and about 1.4m cubic metres of fill-in embankments.

Other works include road drainage systems, sewer, diversions and construction of pump stations.

Structural works include the construction of a viaduct, 12 bridges, a pedestrian subway and minor retaining walls and culverts involving 2,700 tonnes of reinforcement, 17,000 cubic metres of concrete, 690 tonnes of fabricated steel beams, and 54 precast prestressed concrete beams.

Wimpey Asphalt has acquired the Pwllheli Granite Company which has a quarry and a sand gravel pit near Portmadoc, North Wales, and is also engaged in the production of ready-mixed concrete. It is anticipated that all these activities will continue under the present trading name.

## Work on big civic centre

CONDOR Midlands has awarded John Laing Construction's north-west region a £2.6m contract to carry out building work within the vast £8.5m Tameside Civic Centre, now taking shape at Ashton-under-Lyne, Greater Manchester.

Calling for a 60,000-square-foot supermarket and better than 200,000 square feet of office space, the development will be linked to the existing Town Hall, blend with the 18th century aspect of the town centre and provide a central headquarters for the Tameside Metropolitan Borough Council.

The complex will be triangular in shape with an octagonal eight-storey core at the apex and six- and four-storey sections branching off it.

Shops and offices will have a structural steel frame built by Condor Midlands, managing contractors for the development.

## Award to Balfour Beatty

EXTENDING AND modernising the Atlantic Hotel in Banjul, capital of The Gambia, will be undertaken by Balfour Beatty Construction under a contract worth about £6m.

Contract covers design, all goods and services, construction and commissioning.

Manager for the hotel is Caledonian Airways Travel and Leisure Group, which includes British Caledonian Airways and Blue Sky Holidays, which is also appointed as hotel development consultant for the new project.

Finance for the scheme has been arranged by Standard Chartered Merchant Bank and incorporates an ECGD buyer credit for the export of UK goods and services amounting to about £4m.

Work will start immediately and completion is required by the end of 1980.

## Facelifts in London

REFURBISHING work looms large in the £3.7m worth of contracts just announced by Fairclough, largest of which from the GLC is for £1.1m.

This involves relaying of roofs, structural repairs and remedial brickwork to 530 occupied homes at the Exmouth Estate in East London. Completion is for July next year.

In Roehampton, again for the GLC, work worth more than £600,000 is to be carried out on 113 unoccupied maisonettes and 33 occupied flats, with completion by April 1980. It will be largely remedial in character.

London Borough of Brent has added £870,000 as Phase 2 of operations on the Manor Farm Estate, Alport, bringing the total of buildings to be refurbished and modernised to 150 and the total cost to over £1.2m.

For the London Borough of Islington, work under a £300,000 contract for repairs to Pangbourne and Moulford Houses in the area is nearing completion.

Other rehabilitation contracts include £120,000 in Merton, 115,000 for Waltham Forest and £140,000 for Haringey.

## £30m Brazilian hotels project

FIVE BIG hotels are to be built in several important areas of Brazil under a £30m contract concluded between Best Stevin Constructors and Grupo Queiroz Imoveis.

Best Stevin is a consortium set up by Royal Volker Stevin and Gebr. van Heeswijk, major European civil engineering contractors, based in Holland.

Meanwhile, though the total amount of the contract has been established, the actual sites where the hotels are to be

built have not yet been chosen, at least not so far as the European partners in the deal are aware.

Each hotel will have 330 double rooms and a total floor area of about 25,000 sq metres. Start of construction on all five is for October/November this year, with completion within about 18 months from starting date.

Owner of all five will be the above-mentioned Grupo Queiroz Imoveis of Brasilia, and the designer is Intarco of Sao Paulo.

Until the sites are known, it will be difficult to put a figure on the value of the local ingredient of labour content. Notionally, some 25 per cent of total cost will be involved though such a figure must be considered 'tentative' at the moment.

Royal Volker Stevin describes the present arrangement as a 'window' contract in which the framework has been designed and laid down but the details remain to be filled in.

## £2m store for Allied Suppliers

WORK HAS been started by Lesser Design and Build on a £2m project for a new Allied Suppliers (Presto) superstore in Staines Road, Hounslow, Middlesex.

This joint development between Allied Suppliers (Properties) and Lesser Land will also include office accommodation, together with a first-floor car park.

The three-storey reinforced concrete structure will be clad with facing brickwork and blackwork, and the store will be at ground-floor level, with office accommodation on the two upper floors.

The 4,423 square metre store will be served from Staines Road and from the 155-space shoppers' car park on the first floor, with access by lift and stairway. At the rear, an incoming goods and service area with covered docking bay and levelling platform will be provided.

The 1,080 square metre office building will be positioned on columns immediately above the car park, itself generally enclosed within the office area and reached by a circular rising ramp. Because of its location close to London Airport, extensive acoustic and thermal insulation will be needed.

## Offices in Manchester

A NEW £1.4m headquarters for the Pentos publishing company, World Distributors (Manchester), is to be constructed in central Manchester by Howard Farrow (Northern).

The building will provide 16,000 sq ft of office space and 58,000 sq ft of high bay warehousing.

## £1.8m awards to Tilbury

LATEST AWARDS won by Tilbury Construction total £1.8m. Nearly £1m-worth of the work is for the Property Services Agency.

Building and civil engineering in the Plymouth area for the PSA is likely to exceed £1m, and it has placed a £213,500 order for a Post Office motor transport workshop in Torquay.

Major trunk road improve-

ments for Cornwall County Council are worth £437,000.

New access roads worth £10,000 for a holiday camp are being constructed for Mr. J. R. Morgan, and warehouses and factories for English Industrial Estates Corporation (worth £120,000 and £101,500 respectively) make up the balance with £160,000 contract for a new workshop at Culmington, near Exeter, for E.C.P. Jodary.

## Sunley to extend offices

BERNARD SUNLEY and Sons has won the contract to build a four-storey extension to the Eagle Star Insurance Company's administration and computer centre at Cheltenham.

The building will be fully air-conditioned and when completed provide additional office space of 2,600 square metres and underground car parking of 800 square metres. The reinforced concrete structure will be supported by a half metre deep

concrete raft and 10 metre deep bored piles.

Architects, Stone, Tomlin and Partners have designed the extension to blend with the existing 14-storey building, built by Sunley in 1969.

The sub-structure, which was the subject of an earlier contract, was commenced six months ago. Total value of the building contract is £2.5m and Sunley expects to complete by October 1980.

## Land Rovers on call

EXPANSION of its Land Rover and Range Rover hire service is planned by Four by Four Hire of Hanworth, Feltham, Middlesex.

It has already built up a fleet of over 200 vehicles which may be hired for a week or a year or longer. They can be fitted out to carry plant and equipment of all kinds, to operate as mobile workshops, or simply to carry personnel over rough terrain.

Among the company's latest developments are special mobile workshops built with Luton box van style bodies which more than double volumetric carrying capacity and provide standing room for all but the tallest operatives.

The vehicles also have an Allam 7.5 kVA generator built

in between the two front seats. This makes the workshops completely independent and self-contained.

The company also has a number of vans equipped to carry out regular maintenance and repairs and stocks of spares at all of its depots.

Mr. Duncan Smiles, managing director of Four by Four, says he is underpinned by the influx of foreign vehicles modelled on the Land Rover and that the company's expansion would continue to be based on getting sufficient supplies of British Land Rovers and Range Rovers from BL. The setting up of a major centre devoted solely to both hiring out and selling these vehicles is being considered, he said.

# Technical News

EDITED BY ARTHUR BENNETT AND TED SCHMIDT

## PROCESSES

### Coating paper products

A DEMONSTRATION and development laboratory, made possible by the aid of a grant from the Department of Industry, has been set up by member of the John Brown group, Bone Markham, at Manor Farm Road, Wembley, London (01-997 9555).

This is intended to help the company meet its objectives of growing further in the specialised field of coating and laminating machinery for the paper, packaging and plastics industries.

A newly designed multi-purpose coating machine is installed, which should make it possible for work to be shown in all of the normal roll coating and metered coating fields, as well as laminating, in a wide range of materials. The laboratory plant also includes the very latest design of flat air oven.

Facilities at the Wembley plant will demonstrate the pro-

duction of vinyl coated wall coverings, photographic and non-carbon type papers, self-adhesive coated papers, solvent or aqueous, solvent or hot melt adhesives, polyurethane coated papers and films, lacquered papers, films and foils, hot melt coated papers, films and foils, and coated papers, films and foils.

Other areas in which the company is currently involved—often jointly with customers—are energy economy, air pollution and material wastage, and the use of micro-processors.

Bone Markham has built coating machinery under licence from U.S. company Egan for over 25 years and says its own demonstration and development laboratory gives it the added ability to expand in fields which are specifically related to the European market, and to do work directly requested by customers.

## Air-powered saws

JUST INTRODUCED to the UK market are two air saws which will cut all species of timber, plastics and composite materials, as well as light metals, announces Powell Duffryn Group, Tools Division, Cambrion House, Maundy, Cardiff (0222 42051).

The air circular saw has an 84-inch diameter blade and a 24 hp motor. Depth of cut is adjustable up to 27 inches, and the base can be tilted to 45 degrees. This is designed for rugged and continuous use and can be pushed to the point of stalling with no damage to either air motor or tool. Balanced top handle is said to give easier control for the operator and the sawdust ejector funnels sawdust down and away from the operator and the telescopic blade guard. Its major use will probably be in the furniture industry.

Designed for large production

capacity cutting or intricate curve cutting is the heavy duty air bayonet saw with 1 hp motor, likely to be used in the aircraft industry.

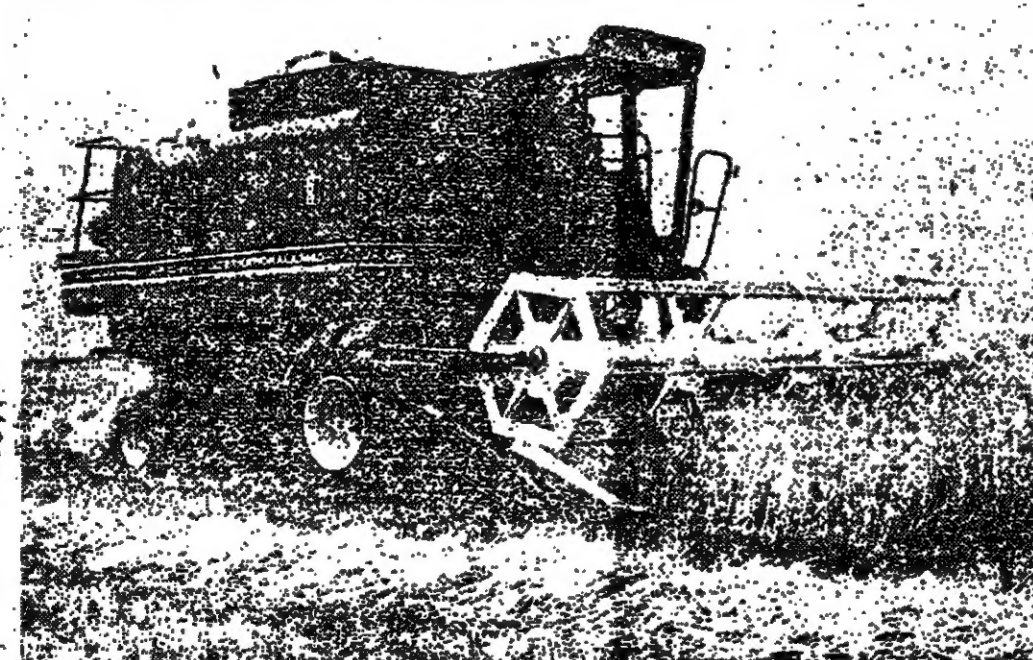
Orbital action of the bayonet saw reduces blade breaking friction, and it can cut wood 24 inches thick, aluminium 3 inch thick, and steel 1 inch thick. Its sturdy 24 square inch base should give firm support, and a base insert eliminates chipping when cutting such materials as plywood or laminates.

## Separates the solids

A PRESSURE filter for the dewatering of suspensions with non-Newtonian flow behaviour is being manufactured by Escher Wyss, a member of the Sulzer Group of Farnborough, Hants. (0252 44311).

This has opened up completely new possibilities for the separation of the solids/liquid content of non-Newtonian, i.e. intrinsically viscous, plastic or thixotropic suspensions, says Sulzer.

The suspension to be de-



Available with either a 14 or 16 foot wide grain platform this International Harvester 1450 axial flow combine has a 170 hp turbo-charged diesel engine and hydrostatic transmission. It is claimed that axial flow combines are more productive than conventional machines and that their design ensures considerably less crop damage.

## DATA PROCESSING

### Maintaining the power supply

TALISMAN, the Stock Exchange's computer array, has been extended to make it one of the largest data processing centres in the UK.

In its new form it went live when the power was switched on officially on April 9, which followed a preliminary power-up test period during late March.

Full computer capacity of the IBM equipment will be reached during the current half year.

To support the increased processing facilities, additional power was required and this has involved the installation of an extra LEB feeder line to The Stock Exchange computer building. Its primary purpose is to supply a new Emerson Electric UPS (Uninterruptible power supply), rated at 250 kVA, which is situated in the base-

ment of the building. The computer equipment is on the third floor of the building and is located about 180 metres away from the power equipment.

With the installation of the latest Emerson static inverter equipment, it means that the computer now has two separate supplies: an existing 168 kVA UPS which looks after the central processors and the 250 kVA above that provides a protected supply to the various peripherals.

In order to accommodate the extended power supply equipment, the basement had to be completely re-designed. This work, and the extension to the computer room, was carried out by LSE's own property management department.

During the time all the changes were being made, the

centre had about 40 per cent of its power supply coming directly off the raw, unprotected mains. This was considered to be an acceptable risk, to ensure that work was finished as quickly as possible; it proved an anxious time all around and, fortunately, the work took place during a period of the year when there were no cuts and no loss of data to the computer.

With over 400 kVA splitup between two UPS systems Talisman has plenty of stand-by power in hand. For example, if the older, and possibly more vulnerable, UPS installation should fail the new 250 kVA equipment has additional capacity built-in to handle the total computer load.

Emerson Electric Industrial Controls, Elcin Drive, Swindon, Wilts, SN3 6DX, 0793 24121.

## HYGIENE

### Traps flies and wasps

SHEARFLOW air curtains which have been used for some time in energy conservation by preventing heated air loss from working environments, have now developed as high pressure insect barriers.

These units are attracting interest in the food manufacturing, catering and hotel industries where penetration of airborne contamination in kitchens, food stores and food processing plants is unwanted.

The method of operation is simple. The velocity of the air emitted from the unit is made

such that a complete air curtain is formed across the doorway. Freedom from insect penetration and other airborne contamination can be achieved as flies, wasps, etc. are unable to pass across the area of air turbulence provided by the unit. Suspended particles present in the atmosphere are also swept away.

The power of the unit can be adjusted so that even birds flying at speed cannot penetrate the air barrier.

Brake Spar House, 164, High Street, Barnet, Herts. EN5 5XP. 01-440 9907.

## WATER ENGINEERING

### Lessens loss from mains

WASK Engineering, of Kington, Yorkshire has a machine for drilling, tapping and installing services on live water mains. Waterset equipment is based on the company's Teeset gas main drilling machine.

Waterset has been tested up to 20 bar (300 psi) and is recommended for use up to 10 bar (150 psi). Insertion of ferrules for up to 1 inch (25 mm) services and stems or nipples for up to 2 inch (50 mm) services is possible into cast iron, ductile iron and into steel and asbestos cement mains from 3-12 inches (80-300 mm) in diameter.

If required, ancillary equipment is available for use on larger sizes of main and special undercarriages and saddles are available for work on potteries or u-PVC mains.

Minimum water loss during drilling and tapping is ensured by an ingenious valve in the base of the Waterset, plus a pressure vent and headlock device which prevents the head being removed while still under pressure.

Wask Engineering, Glyndwr, Screws and Fastenings, Woodhouse Road, Kington, West Yorkshire BD21 5NA. Tel: (0535) 606581.

## MATERIALS

### Looks like leather

USING THE same technology that was used for the development of its water vapour permeable synthetic leather, Porvair is now producing an unfinished permeable polyurethane foil also for use as a leather substitute.

Formed from a thin layer of Porvair material, which is laminated and finished to a woven or non-woven textile backing by the customer, Permair is supplied with the appearance of glass leather, and can be fashioned into covering for luggage, handbags, shoes, etc. It is available in thicknesses of

0.5 mm to 0.7 mm and a metre in width.

Produced in roll forms up to 200 metres in length, main colours are brown, black or white but other colour shades are available, depending on the size and order, from Porvair, Estuary Road, King's Lynn, Norfolk PE30 2HS.

Developing nations with a shortage of leather, but with indigenous textile industries capable of producing the backing for Permair, could now create their own shoe upper and luggage material industries, suggests the company.

## INSTRUMENTS

### Accurate sound meter

TRADITIONAL sound level meters do not have sufficient dynamic range or a fast enough response time correctly to indicate transient or impact noise. They often do not warn the operator when a result, measured in these circumstances, is incorrect.

This limited response to impulses becomes even more serious when integrating functions are included, because the errors are additive throughout the measurement.

New standards are currently being proposed that will lay down minimum requirements for instruments used in areas of impact or transient noise. Those instruments capable of correctly handling impulses will be given a peak category classification and will remain in the non-peak classification.

CEL-193 precision impulse integrating sound level meter from Computer Engineering will meet the proposed new standard. The new instrument

has a crest factor of 63dB and will correctly measure noise pulses lasting less than a millisecond. Any of the three time constants specified in current sound level standards—fast, slow and impulse—can be selected and, in addition, a peak setting used in conjunction with the maximum hold facility enables the absolute maximum level of an event to be measured.

A three-position slide switch allows the result to be displayed in terms of either equivalent continuous noise level, single event noise exposure index or peak weighted average. A 90dB linear scale is provided and a pushbutton selects either the 90dB above the indicated start of the range to be displayed or the 30dB below. The starting point of the range selected is shown in a window on the scale pan and can be advanced in 10dB steps. The total measurement capability is 23-155dB or 13-130dB if the CEL-190 high-sensitivity microphone is specified.

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Tel. 208481.

## IN BRIEF

● Contract worth £350,000 has been won by Linford Building Group for the renovation of 34 terrace-style council houses in Small Heath, Birmingham.

● A £1m contract in Peterborough, has been won by Robert Watson and Co. for steelwork for a new phase of advance factory construction at the city's Orton-Southgate industrial estate.

● E. Webb (Construction) is to build 40 dwellings in Perry Street, London. Contract is valued at £279,132.

● Three contracts totalling over £190,000 awarded to Meary, are for a road at Lairs for Plymouth City Council, a marina basin at Evesham, Worcs, for Leisure Marina Services and two pumping stations at Helston, Cornwall, for the South West Water Authority.

● Under a £155,000 contract from the Lower Trent Division of Severn-Trent Water Authority, the General Descaling Company will remove 20,000 metres of 100 mm to 200 mm diameter cast-iron mains in the county.

● Modernisation schemes costing about £1m under way at the Roadside Service Station of Polycoff Castings and Furgings, which centres around the installation of the 'Whitetail' Street foundry of two six-tonne coreless melting furnaces.

● Hunting Gate is to design and build a new retail store in Grays, Essex, for the Harris Queensway Group on the junction of the town's London Road and Mainstone Road.

● Worth £220,274 a contract has been awarded by Warrington Development Corporation to Thomas Ashby (Northwich) for preliminary works at Channon Borehole. The contract is connected with a scheme to build 117 rented dwellings.

Wang is now recognised as the largest worldwide supplier of screen-based word processing systems and the second largest supplier of small business computers in North America.

It is doing very well in the U.K. too!

Telephone: 01-878 7821

**WANG**  
COMPUTER AND WORD PROCESSING SYSTEMS

## METALWORKING

### Production of big fabrications

QCB Industrial Services of Pinner, Middlesex, has been appointed sole UK sales agent for the Dutch fabrication company, Tankfabriek-Koolman NV, one of the foremost manufacturers in Europe of pressure vessels, heat exchangers, air coolers, jacketed and stirred vessels and columns.

Tankfabriek-Koolman has separate manufacturing facilities for stainless and carbon steel vessels at Papendrecht and Geertruidenberg in Holland. Stainless and special alloy vessels are fabricated up to a maximum size of 10.5 metres diameter by 35 metres long to all international codes, and vessels in carbon steel are manufactured up to a maximum size of 7 metres diameter by 45 metres long.

Also at Geertruidenberg is a plant for the production of dished and flanged heads up to 4 metres diameter by 25 mm thick with heat treatment facilities for both heads and complete vessels.

The UK agent is at 542, Uxbridge Road, Pinner, Middlesex. 01-868 7394.

## SECURITY

### Will lock from afar

AN ELECTRIC mortice lock which can be remotely operated from as far away as 1 km is the latest device from the Savox Security Group, 24-25 Dean Street, London W1V 5AP (01-439 4536).

The unit comprises the lock assembly, a contacted striker plate, switch control panel and a low voltage dc power supply unit. It requires no quiescent current to maintain itself either in a locked or unlocked condition and requires only a highly-repetitive activation.

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مکان من الشغل



## THE MANAGEMENT PAGE

Terry Dodsworth reports on the French Ferodo car components group, now flexing its international muscle with the aid of Government-inspired liaisons which have drawn in Lucas of the UK

# French victor which must live with detente

SOME of the most striking aspects of modern French industrial policy have been displayed during Ferodo's meteoric rise into the first ranks of the European motor components' industry. These preoccupations are centred on France's ambition to create companies with an international scale of operations. The country will be vulnerable, it is argued, if it does not develop businesses which can export vigorously, keep abreast of the best of modern technology, and produce at internationally competitive costs.

The process of growing into being one of these chosen industry leaders began for Ferodo almost 10 years ago. At that time, it was already an expanding company, making plenty of money as it was dragged along in the wake of the rapidly expanding French motor industry. It was probably the largest indigenous French group in the components sector. But it was in no way a force to be counted in the world industry.

## In trouble

Then one of the medium-sized French electrical component businesses, SEV-Marchal, came on the market. The company was in some financial trouble, and its owners, the Marchal family, were proposing to sell out to Bosch, the German vehicle electricals manufacturer—already one of the dominant forces in the European industry. The stage was thus set for Government intervention.

At about this time the French authorities were beginning to look hard at the possibilities of reconstructing the motor components sector. This was partly because the vehicle manufacturers, then becoming a world force in their own right, were concerned about the costs

of their component supplies. But it was also clear that France was falling behind in the race to create motor suppliers of world dimensions. In both the UK and Germany, companies were emerging of sufficient size to compete with the American giants. In France, the sector remained extremely fragmented.

In a typical response of the French bureaucracy to such situations, the search was launched for a home-grown company capable of taking Marchal on and turning it round. Ferodo was chosen, not because it had expertise in electrical equipment—its main business was in clutches and radiators—but because it was the major French company in the components sector. It knew the industry, had links with the vehicle manufacturers and, it was presumed, had the management expertise to take a trip on Marchal.

This was the kind of offer which a French company finds difficult to refuse. Ferodo was not particularly keen at the traditional interests in brake lining and clutch production. "It was only with some hesitation that we eventually agreed to the takeover," says M. Andre Boisson, chairman of the group. "We knew we had a difficult task ahead of us. It was a company with an out-dated range, little capital and limited management. We had to renew the range, reinvest and inject new men from Ferodo."

Ferodo received no financial help from the Government—"we were rich at the time," says Boisson. But the authorities played a key role in the takeover by effectively blocking Bosch's bid for Marchal. They refused to grant the approval which is necessary for overseas companies to invest in France, leaving the German company with a limited, pre-acquired



M. Andre Boisson, chairman of Ferodo—"co-operation between an English and French company is perfectly possible."

stake, but not control. After the merger, the financial interests in SEV-Marchal were regrouped in a holding organisation controlled 70 per cent by Ferodo and 30 per cent by Bosch—just 3.3 per cent short of the percentage which gives a blocking minority of shares in a French company.

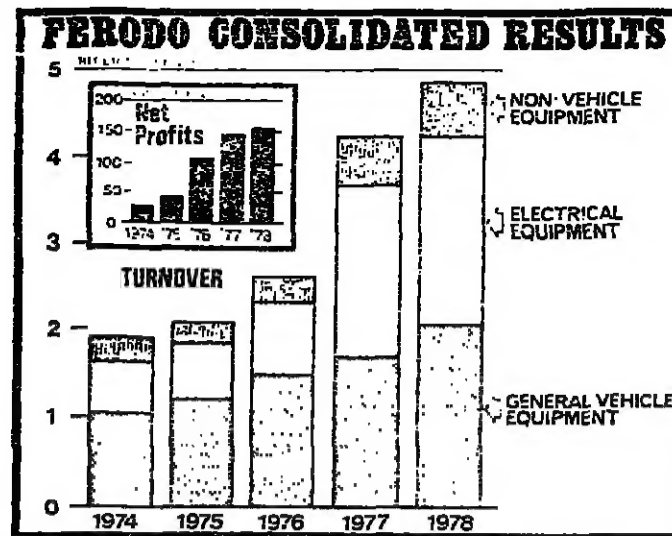
The Ferodo-Marchal fusion was step one in the industry reorganisation programme. Step two came six years later in 1977, when the Paris-Rhone/Cible group, another cluster of merged vehicle electricals manufacturers, was looking round for a partner. Once again, Ferodo was the obvious match.

Step three threw Ferodo into the now celebrated imbroglio with Lucas of the UK over the future of Ducellier, the other large French vehicle electricals producer. This extremely complicated takeover battle was dragged through the French courts, ended with an agreement under which the

French and British groups will each hold 50 per cent of Ducellier. In other words, Lucas has a blocking minority in Ducellier, which could cause Ferodo problems in its general reorganisation strategy for the industry; but, at the same time, the British company has not got the all-out control it was seeking.

## Pressure

The Ducellier case once again illustrated the determination of the French authorities to arrive at a rational reorganisation of the industry. Just as at Marchal six years earlier, they were able to put pressure on the foreign bidder by failing to give the necessary investment approvals. When asked what pressure the Government brought to bear on the Ducellier situation, Boisson gives a transparently discreet answer: "The Government was at the origin of the creation of a French electricals industry



strong enough to survive world competition. Ducellier was the final step in this strategy."

How the French and British companies manage to settle their differences and work together in Ducellier still remains to be seen. But it is clear that Ferodo has now arrived at the last significant move in the internal reorganisation of the French motor electricals industry. The country can in future boast a producer which approaches the size of Lucas in the UK or Bosch in West Germany, and which has a spread of products right across the range of electrical equipment.

Whether this means that Ferodo is also comparably strong in international competition is another matter. At a financial level, competitors tend to argue that Ferodo's returns are still very average for the industry: its net profits last year amounted to only FF 154m (\$37m) on a turnover of FF 4.6bn (\$1.2bn). But success also depends on other factors, such as the steps that are being taken to strengthen the product base and move into world markets. Boisson explains the company's strategy in the following way:

First of all, in terms of finances, it expects results to improve as the electrical companies which have come into

the company are fully absorbed. The group has gone through a period of rapid growth through acquisitions which can only be expected to produce returns over the longer term: first of all, the products have to be integrated and rationalised.

Secondly, in certain product areas, the group is already in a powerful position. Ferodo's output breaks down into two main ranges of equipment—the products which were made by the original company as it existed up to 1970, and the electrical components which are grouped in the separate SEV holding organisation, in which the parent company has a majority stake. The group is currently stronger in its traditional products, basically related to the friction materials which were first licensed to it in 1923 by Herbert Frood of Derbyshire. In this area, apart from brake linings, Ferodo makes the Verto range of clutches which are among the most well-established marques in Europe.

This side of the business also includes Sofica radiators, heaters and air conditioners, a division which has received a big boost in recent years following its development of a cheap aluminium radiator. Out put has been growing by 20 per cent a year.

Under SEV, there are three main divisions, Cible, making lights, and Marchal and Paris-Rhone manufacturing the standard range of electrical products. The star of this sector is unquestionably Cible, reckoned to have about 30 per cent of the European market, and one of the fastest growing companies in an industry which has been rationalised extensively in the last decade.

Thirdly, the group is already beginning to make its mark on the international scene. In Italy it employs about 1,500 men and produces virtually the full range of its equipment: in Spain it makes lights, clutches, heaters and windscreen wipers; in Germany it has a fairly wide spread of manufacturing and in the UK it is aiming to move into clutch production. Further afield, it also has footholds in Brazil and Argentina.

These product and marketing developments, however, are only regarded as a baseline by Ferodo. The company will be faced in the next few years, Boisson argues, by increasingly tough competition, partly because the period of rapid growth has vanished for good in the motor industry, and partly because of market standardisation.

"The motor industry has now taken on a world dimension. There is no room for new vehicle producers, and those that remain must have a grip on as many markets as possible, including Eastern Europe. We cannot escape from the same law as the manufacturers. One is condemned to have an international policy."

So how will Ferodo face up to these pressures? First, says Boisson, it will try to diversify more. This policy takes it back to the late 1960s, when about 18 to 20 per cent of its output was in non-motor activities. Since the absorption of the electrical companies into the group, this ratio has gone down to 10 per cent, but bit by bit Ferodo is now adding new interests. These include building industry products and a specialised heavy transmissions company, SOMA.

Secondly, it will have to consolidate its position in some key components. This is particularly true in several of the electrical products, where it has not yet

displayed the technological or manufacturing strengths which it has shown in, say, lighting equipment and radiators. These limitations explain the importance of the Ducellier acquisition. On the one hand, it links Ferodo with a company which has a relatively strong position in the fast-developing electronics sector; on the other, it will make available much improved manufacturing economies. "Forty to 50 per cent of the average French car is made by component producers. We must be as competitive in series production as the American or Japanese manufacturers if we are to get prices down."

## Development

Thirdly, it needs to continue the development of its overseas network of interests. This is particularly important in the U.S., where the size reduction in American cars is leading to a miniaturisation of components which gives Europe an opening not likely to crop up again. Companies like Ferodo know only too well that they will face a new wave of U.S. competition in components in the next five to ten years as the American competitors learn to make smaller products. So they aim to get in first: Ferodo has already made the decision to start a radiator manufacturing plant in the U.S. and is aiming to start manufacturing clutches as well.

The biggest question for the group now, however, will be whether it can draw full advantage from its link with Ducellier. The strategy of both the Government and the company makes it important that Ducellier weighs in on the international scale. But the level of integration Ferodo can achieve will depend to a large degree on Lucas.

The only thing that can be said with certainty on this point is that Ferodo has plenty of experience of the English. Ever since its foundation by Ferodo of the UK, it has run a joint research deal with the UK company, and it still has a Ferodo representative on its Board. "Which goes to show," says Boisson, "that co-operation between an English and French company is perfectly possible."

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## EXECUTIVE HEALTH

# Exam stress: for parents

BY DR. DAVID CARRICK

MANY TIMES I have written on stressful factors which can be deleterious to the health of executives. Domestic problems have been discussed but I have never considered those educational problems encountered by offspring and heavily shared by parents.

An old, hot chestnut, calculated to aggravate the young, is the lofty observation: "When I was your age, everything was far more difficult." In one major respect, this claim is totally false these days.

I refer to school examinations, which seem to be far more difficult in every respect than they were 25 years ago. Many of the subjects are absurdly complicated and frequently obfuscated by ambiguity—something carefully avoided in earlier days. As an example of this I would quote from an "O" level paper on that nebulous subject sociology: "What has affected fertility since the Second World War?" The student had to presume that human fertility was in ques-

tion, not that of birds and bees. Assuming the former, then the correct answer should have been: "Nothing." The examiner would not have liked that; but just because he was incapable of understanding English, he had no right to assume that the wretched examinee had to deduce that, for fertility he should read birth-rate.

What has this to do with the health of executives? A great deal, because, during the period an offspring is preparing for those exams, many students attempt to obtain help and elucidation from their parents. If, as the result of teaching methods, or because the query involves astonishingly recondite knowledge, no help can be given, then the parent suffers from the stress born of false inadequacy, as he feels that he has failed his children and thus lost face forever.

As for the exams themselves, some parents avoid the results in a state of chronic trepidation. My daughter took three "A" levels recently (having obtained "O's" in diverse subjects). One of these was mathematics, with which I could not even try to help. Another was English literature, which was expensive in the multitude of books required, and I am afraid that my interpretations of questions set were always at variance with those who were supposed to be teaching her; so I soon learnt not to interfere save only to encourage her to go along with the weird notions propounded by these mentors.

But with Human Biology, surely I should have been of assistance. Wrong again, because of my naive belief that the subject involved meant what it was called—a study of the human, living body from the anatomical, biochemical and physiological angles.

Alas for human frailty! The examination paper did not confine itself to reason. A few of these proper sections were covered; but there were other questions far removed. The girl had worked very hard and had just penetrated the outer suburbs of knowledge; but she could hardly have expected to be faced with questions on bacteriology, pathology, venereology (there being no fewer than seven questions on gonorrhoea and its complications), surgery, forensic medicine; paediatrics etc. And there was even one stunner concerning heat-regulation in old Darwin's dilemma, the duck-billed platypus!

Had she passed I would have been dismayed. As it is, I can but praise her efforts that put Hercules to shame. Other parents may not be so placid. To them I suggest that they turn their stress into constructive anger and attempt to direct the authorities into the path of sanity for their own sakes and for those of their children.

## McLEOD RUSSEL

### 1979 Highlights

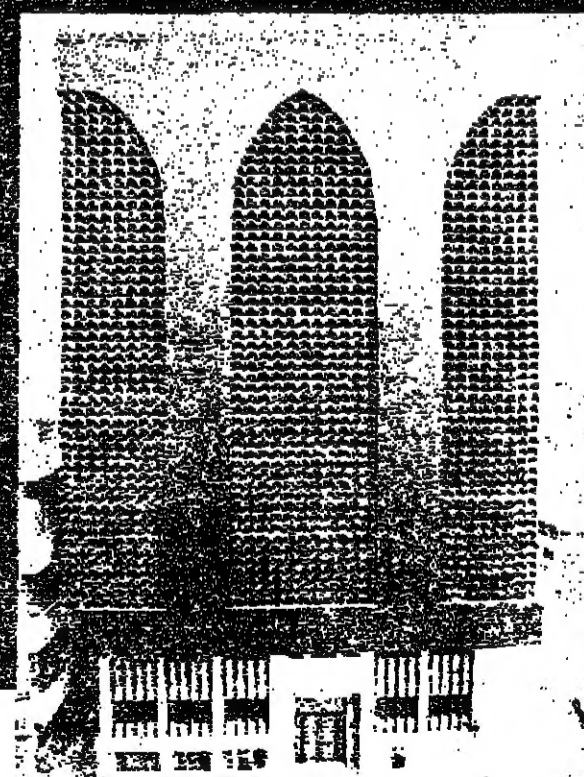
Salient points on the year to 31 March, 1979 by Sir John Brown, The Chairman

- \* During the year Arthur Edge & Co. Limited was acquired while the purchase of a part of the Pinnerwood Park Estate has just been completed.
- \* It is proposed, subject to Indonesian Government approval, to develop a substantial area in oil palms in that country.
- \* Brencley & Co., Limited has installed a 5-colour rotary gravure printing machine of the latest design and has moved to new and larger premises in the Southampton area.
- \* Significant increase in excess of market value of listed investments over cost thereof.
- \* Tea companies performed well but results were affected by higher taxation and disappointing prices realised through availability of surplus supplies on Indian market consequent on the fall in exports due to the levy of export duty which, however, has now been removed.
- \* With the prospect of increased exports of quality teas at acceptable prices the Directors look forward with cautious optimism to a satisfactory year for the Indian businesses notwithstanding increasing costs while results outside India should show some improvement.
- \* The continuing strength of sterling will, if sustained, affect the value of repatriated rupee funds available for redeployment.

COMPARATIVE RESULTS		1979	1978
Turnover	£000's	18,256	21,293
Group profit before taxation	£000's	4,177	8,522
Taxation	£000's	3,296	6,284
Profit after taxation and minority interests	£000's	624	1,912
Earnings per Ordinary share	p.	13.25	45.21
Ordinary dividend	p.	13.50	13.50

Copies of the Report and Accounts are available on application from The Secretary, McLeod Russel & Co., Limited, Victoria House, Vernon Place, London WC1B 4DH.

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Ashmolean Museum

## John Tradescant's Ark by ROY STRONG

Visiting the Ashmolean Museum, Oxford, will always mean one of life's genuine pleasures. And, in my case, it is not only for the joy of seeing again Uccello's haunting "Night Hunt" or the poignant Pre-Raphaelite pictures but to contemplate the astounding carved bric-a-brac that once formed part of John Tradescant's Ark of Curiosities at Lambeth during the decade of Charles I's Personal Rule. These, the main, used to be assembled in the room at the end of the great staircase to the paintings galleries, piled in cases that flanked Tradescant family portraits, all of middle class professional people, modest bourgeois dress, never being upstaged by the wank of that assertive herald, Elias Ashmole, swagged in velvet and silk and festooned with a regal golden chain. He was who saw to it that the Tradescant name was never attached to the museum. But it was always the case material that intrigued me most. There was the armour-plated hat worn by Bradshaw when he pronounced sentence on Charles I. There was Guy Fawkes' lantern looking decidedly the worse for wear (recently copied by my wife, Julia Trevelyan Oman, for the appropriate Tussaud tableau). Gloriana's gloves, used by Henry VIII's stirrups and Charles I's spurs made a strange posthumous encounter with those of John Hampden. But over and above the personal memorabilia of the great there were the ethnographical objects: South American clubs, Chinese lanterns, a Buddha, Burmese manuscripts, Russian boots, a Tartar saddle, a Moluccan shield and the star turn, the mantle worn by the father of Princess Pocahontas.

Up until last year this collection scattered here and there had more than a faint air of abandonment, as though plying demanded its display as much as aesthetic sensibility called for its immediate storage. But now all that has changed and many generous donors, in the main

Americans have brought about the creation of The Tradescant Room, in which the atmosphere of the original Ark has been skillfully recaptured. It is a small paneled room, as surely it would have been in Caroline Lambeth, the showcases let into the walls. There is more logic and labelling to the random pile-up of clutter, but it still purveys the impression of an antiquarian Autolyseus. A pair of leaded windows in the style of the period flank the portrait of the creator of it all, John Tradescant the Elder, grey-headed and bearded, wearing a skullcap and framed by a baroque cartouche hung with swags of the fruit and flowers that he had introduced to this country.

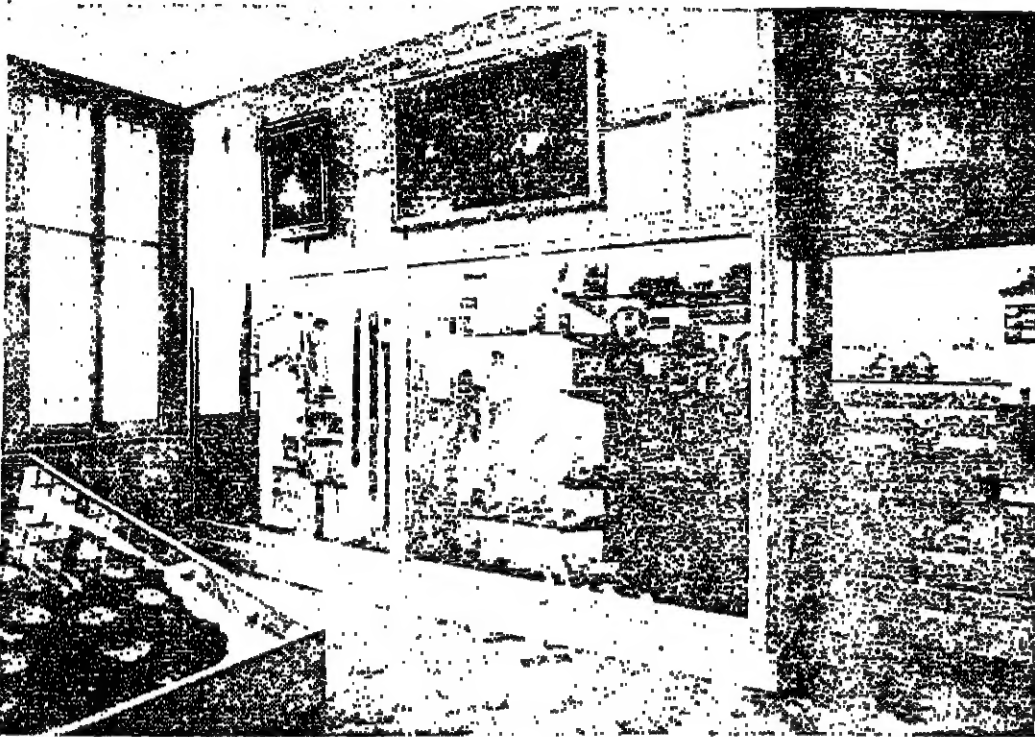
John the Elder was a gardener or, to be more accurate, a planterman as against a garden designer. He came of Suffolk stock and first came to prominence purchasing rarities for the great garden of Robert Cecil's new house at Hatfield early in James I's reign. Many were his journeys to and from France and the Low Countries that this entailed. Later he entered the service of the favourite, George Villiers, Duke of Buckingham and finally became gardener at Oatlands to the queen and Lady Queen, Henrietta Maria. During the 1630s he went to Virginia "to gather all rarities of flowers, plants, shells, etc." At any rate by the 1630s he and his family were well established in their showplace house in Lambeth. This is how a visitor describes it:

"In the meane tyme I was invited... to view some rarities at John Tradescants... there was a space the whole day in perusing and that superfluously, such as hee had gathered together, as beasts, fowle, fishes, serpents, wormes (real, though dead and dried), pretious stones and other Armes, Canes, shells, feathers, etts. of sundry Nations, Countries, forme, Colours; also diverse Curiosities in Carvinge, paintinge, etts., as 80 faces carved

on a cherry stone, Pictures to be seen by a Cellar which other wise appeared like confused blunts, Medals of Soudrey sorts, etts. Moreover a little Garden with divers outlandish herbes and flowers... As the last we cannot expect at the Ashmole and would that we could magically be transported at an instant from that Room to Cranborne Manor where the present Lady Salisbury has miraculously created a tiny box garden filled with all the plants that she can identify that once grew in the famous Lambeth garden.

For the collection within and without are interrelated, for both are expressions of late renaissance man's curiosity about the physical world, one whose horizons were being expanded at an alarming rate, combined simultaneously with

an equal awareness of the past, of the classical and the antique. To stand in the Tradescant Room in the Ashmolean is to enter into the mind of one early 17th-century man. Partly that mind is still medieval in its make-up, obsessed by marvels and magic partly it is scientific in our sense of the word, concerned with the objective collecting and describing of natural phenomena. One sees vividly the emergence of the museum idea out of the medieval encyclopedic tradition as it was recast in the renaissance. Man still stands at the centre of the universe, man the microcosm, the being who alone has of his own volition the ability to rise to the stars or sink to the level of the brute beasts. The collecting mania is no reflection of man being in the least overwhelmed as we



The Tradescant Room at the Ashmolean Museum, Oxford

Oxford Playhouse

## The Country Holiday

by MICHAEL COVENEY

Goldoni's "Villeggiatura" trilogy of plays (1756-1761) were presented in Venice in successive weeks just before the playwright left the city for ever. They remained comparatively unknown and unperformed until, in 1976, Giorgio Strehler directed an edited version of all three in a single six-hour production. The plays were immediately recognised as a cornerstone of the European comic tradition, full of vitality, social comment and psychological profundity.

In March this year, the Glasgow Citizens presented a version that was streamlined even compared with Strehler's. And now Gordon McDougall at Oxford, with his co-translator Barry Russell, offers a perfectly coherent and acceptable version in which *Le Smanie della Villeggiatura* plays for 55 minutes; *L'Acquerone della Villeggiatura* for 50 minutes; and *Il Ritorno della Villeggiatura* for 30 minutes.

The production is coherent rather than inspired, the themes and premises of the trilogy emerging despite, rather than because of, the way they are handled. Two households in Livorno are preparing for the summer vacation in Montenero. In one, the impoverished Leonardo is racked with jealousy for the daughter of his neighbour, Filippo, is clearly in love with somebody else. Filippo is trying to get everything organised, but is hindered by Giacinta's demand for more

money to complete her wardrobe. Filippo, in turn, owes Fulgenzio, an old friend, a considerable sum and, as a result, is under pressure to accept Fulgenzio's suit for Giacinta on behalf of Leonardo. Giacinta's dowry is the attraction for Leonardo and Giacinta's secret devotion to Guglielmo (who is smuggled into the holiday coach) is doomed in the overriding atmosphere of economic expediency and social obligation.

If you think that sounds complicated, I had better not proceed with details about the sponging top in Leonardo's house who pursues Filippo's widowed sister in hope of a "settlement," nor mention Giacinta's sprightly maid who boasts to no avail of her "good points and dowry" in company with Filippo's servant at Montenero.

In the character of Giacinta, Goldoni created a marvellously complex and affecting role which is soundly occupied by Louise Jameson. The point about all these mercenary liaisons is that they are strictly bound by the marriage conventions, so there is that strange limbo of semi-commitment to the double the fiancés between the signing of contracts and the blessing of the church. In that position, Giacinta has some poignant speeches of doubt and frustration that are well managed by Miss Jameson. She is trapped, too, into suffering a hastily arranged coupling with Guglielmo with Leonardo's sister, Vittoria.

In the second play, all these developments are played out in the course of a day in Filippo's villa beautifully segmented by meal times and the famous card-playing scene. We have lanterns, candles and a shadow play, the sudden contrivance of a "letter" from a sick uncle smuggled into the holiday coach to the servant that, while hearts may be broken, there is no money to waste on superfluous effects of illumination.

The evening is full of high spirits and an accumulating sense of a hard-bitten society under the analyst's microscope. Apart from Miss Jameson, the best acting contributions come from the elderly brother and sister routine of Tenniel Evans and Elvi Hale. The stage has been happily transformed into a thrust, but the designs of Michael Knight are a little frail and two-dimensional for the solidity of the events they are supposed to complement.

## British Olivetti sponsor opera

British Olivetti will sponsor Musica Nel Chiostro's production of *Orontea* by Marc Antonio Cesti on September 28 at Riverside Studios, W6. All proceeds from the performance will be donated by the company to the Venice Festival Fund.

There will be two public performances of *Orontea* at Riverside on September 28 and 29 at 7.30 pm.

Coliseum

## La traviata

John Copley's six-year-old production of *La traviata*, now staged by Hugh Holliday, returned to the Coliseum on Friday night. Inevitably, alterations in casting have brought changes of detail and emphasis with them, but much of the original conception remains. While David Walker's handsome sets and opulent costumes impose their own unity of style. The cast, mainly familiar, is splendidly even and might have been designed with the express purpose of demonstrating the English National Opera's present strength. But opera—especially Italian opera—needs stars as well as fine team-work, and in Valerie Masterson the company has a pearl whose lustre has grown steadily more effulgent during the last few years.

Her performance of Violetta, always intensely magical and touchingly portrayed, has gained an even surer command of the florid music and shows a deeper understanding of the emotional content of the role. Looking appropriately frail in her vast crinolined dresses, she moves very gracefully, but her chief means of expression is naturally her voice; with it she conveys such facets of Violetta's many-sided character through Verdi's marvellous music. The hushed, magical ending to "Ah! fors è lui" is followed by a glittering account of "Sempre libera".

Miss Masterson is most sympathetically partnered by John Brecknock as Alfredo; he too conveys such facets of Alfredo's character through Verdi's dramatic aspects of the music equal power and expressive-

ness, and in his many scenes with Violetta is able to match her flexibility of voice, style and mood. Patrick Wheatley, as the elder Germont, does not attempt much in the way of characterisation, but wins understanding if not affection for Giorgio by the security and warmth of his singing. Both tenor and baritone are allowed the cobbetta to their respective second-act arias, and in each case the inclusion is dramatically justified, though the sentiments of Giorgio's "No, adrai rimproverci"—at least in Edmund Tracey's English version—are extremely trite.

Angela Bostock makes an ample-voiced, generous-hearted Flora; Shelagh Squires extracts every drop of feeling from that gem of character roles, Annina, and Frederick Earle does the same for Doctor Grenvil, another rewarding part. As Baron Porphyr, Malcolm Rivers is just wooden than the majority of baritones who take on that cardboard figure, while John Kitchener's *Mamma* d'Alighieri is more sensible than most complainers. Alamy Woodrow, a useful caston, together with the chorus in its various disguises as apoplexies and madmen at Flora's party are enjoyably amateurish—I presume the lack of professionalism here is intentional. The conductor, Noel Davies, shapes the Preludes sensitively and keeps good ensemble; on occasions he could allow his singers, in particular Miss Masterson, greater latitude for phrasing and rubato.

ELIZABETH FORBES

SOCCER BY TREVOR BAILEY

## Gunners still far from greatness

ANYONE WITH the good fortune to see Arsenal play Manchester United in the best and most exciting FA Cup Final for years, and the misfortune to be present at their next encounter at Highbury on Saturday has cause to be mystified.

Where has all that talent gone? How could two such accomplished teams give, in perfect conditions and on a splendid pitch, such an undistinguished performance, short on class, imagination and devoid of goals? It was as if the summer break and pre-season training had been entirely unproductive and that both clubs had deteriorated, rather than making the expected improvement.

Arsenal and Manchester United are two of the most respected and powerful clubs in England: well run, well supported, wealthy and with real tradition behind them. They want—and their supporters expect—success on the scale of their halcyon days, when they were undisputedly among the finest clubs in the world. Although both have acquired honours in recent years with teams which have

been effective or good they have missed out on greatness, despite being close on occasions.

The Gunners' side which achieved the double exemption effort, efficiency and economy but was short on imagination and panache. When Manchester United burst back onto the First Division scene in 1975-76 with some of the most exhilarating attacking football for years, and almost certainly the best, they needed only maturity and a little more height to have been a great team, while the cup-holders were only two or three players short last season.

In their efforts to find the formula to put them into the same category as Liverpool and Nottingham Forest, Manchester have expended a large fortune in transfer fees and Arsenal have spent much effort last summer convincing their young home-grown products, who are on the threshold of stardom, that they will be financially better off at Highbury than anywhere else.

Can this season see the London and Manchester sides making their way to the very top, instead of being almost there? On the evidence of that

goalless, often soulless, draw on Saturday, the answer is a definite no.

At their best, the Gunners and United are capable of high-calibre football, but this was in short supply during their latest meeting, which contained an immense amount of scurrying hither and thither at breakneck speed by what looked like well-drilled, animated, red and white robots. Nobody seemed capable of stamping his personality on the game and taking charge by changing the tempo, showing some arrogance, or doing the unexpected.

Obviously Arsenal missed the talents of Alan Brady, but no team can afford to be so dependent on one individual for their effectiveness and expect to reach the heights. He leaves such a large gap because the reserve cover appears to consist of hard running, all-purpose, young utility players.

A midfield quartet of Rix, Gattin, Talbot and Hollins does not represent championship material as it is too honest and too obvious. The fact that they were able to put pressure on their opponents during the second half indicates that Man-

chester United have also some way to go before they can hope to become an outstanding footballing force, as distinct from a competent one.

What is missing? Manchester United have bought a tall, strong central defender, McQueen, and big brave centre-forward, Jordan, providing them with that missing height in defence and attack.

They have also recently acquired Wilkins from Chelsea, an old-style inside forward who has played so well with England, but contributed little against Arsenal. It will obviously take him some time, probably a couple of months, to become acclimatised to his new surroundings where he finds himself employed as the right-hand inside member of a midfield foursome with two basic winners on each flank.

In his efforts to avoid making a mistake, Wilkins attempted nothing ambitious and was no more impressive than a run-of-the-mill performer. Although his ball distribution was accurate, it was too predictable, while he will find goals hard to score if he does not enter the opposing penalty area more often.

By the way, the 16-year-old prodigy Pam Shriver, defending her title and going for a fifth successive win in the U.S. Tennis Centre in Flushing Meadow Park, is the strongest ever, with only a handful of European clay court players choosing not to compete on the fast asphalt courts, which do not flatter their type of game.

Not surprisingly the fields for the 12th U.S. Open Championships which begin today at the U.S. Tennis Centre in Flushing Meadow Park are the strongest ever, with only a handful of European clay court players choosing not to compete on the fast asphalt courts, which do not flatter their type of game.

The Tent

## Playground by CLEMENT CRISP

Kenneth MacMillan's new *Playground* for Sadler's Wells Royal Ballet finds the choreographer working at his most intense in studying the human psyche. The ballet is a disquieting piece making no concessions to conventional attitudes of airiness and bodies beautiful. Instead, it offers distress and violence of spirit yet because it treats of a human condition without romanticising or fudging its subject, it also achieves a harsh uncompromising beauty. The classic dance is taken a further step along a path of truthful precision in revealing depths of feeling and suffering.

The playground of the title is a brave naturalistic design by Yolanda Sonnabend, a wire-meshed courtyard more prison than place for games. Behind it we see the walls of an institution with barred windows and a mural of caricatured figures. At certain-raise, we see the inmates of a mental hospital grotesquely got up as children, their games making a macabre comment upon their wounded personalities. As with television play last year, the device of adult performers cast as children sharpens the implications of grown-up relationships.

In *Playground* the fantasy achieves a further dimension since some of these supposed children are also playing at being adults, and all are commenting upon their inadequacies by reverting to an irrational childishness.

Certain figures stand out: a vicar (Stephen Wicks); his wife (Judith Rowan); a girl who daubs herself with make-up (Marion Tait); another inmate who assumes the identity of the girl's mother (Siobhan Stanley); he wrote for the Hallé

Their play-acting is dislocated, and informed by that satiric observation that is sometimes found in the activities of the mentally distressed. Outside the enclosure a young man (Desmond Kelly) watches, then enters the playground. For all his apparent normality, we sense, through Kelly's remarkable interpretation, the violence that is suppurating just below the surface of his personality. He is attracted to the girl, and they embark upon a passionate love which conveys the extreme tension of their feelings. The girl is driven through excitement into an epileptic fit—a haunting choreographic tour de force—and her collapse occasions another game as her companions mourn over her apparently dead body.

The young man is attacked by the rest of the cast. At this, three white-coated doctors enter and the man is restrained in a strait-jacket. Playtime is over. The patients doff their children's clothes, put on institutional garb and leave. The girl is the last to go. In a scene done with unforgettable pathos by Marion Tait, she stands, riven with grief, hands drawn down her tear-stained face to smear the make-up that has been her erstwhile identity. She trails away, Kelly, strait-jacketed, lies abandoned as the playground gate closes. Kneeling, head against the gate, he seems like Petrushka, beating against the door of his cell.

I saw *Playground* at both its performances at the week's end, and I record that it is heart-rending as well as disquieting. It is sustained, inspired, by an exceptionally theatrical score from Gordon Crosse, the *Playground* which he wrote for the Hallé

Orchestra two years ago. It is music taut in spirit, varied in emotional colour, and ideal as partner in this drama of the mind.

MacMillan's style owes something to the manner of his *My Brother My Saviour*, but *Playground* is even darker in mood though warmed by a compassion for the human delinquents it studies. The reverberance of the characters and their relationships makes the piece far superior to any mere observation of madness. It is not shocking for the sake of sensationalism, and it never sinks into the sentimentality of the film *One Flew over the Cuckoo's Nest*.

Our understanding of the characters is "free." I incline to the view of Kelly as the most chilling figure, a maniac who escapes from confinement for a brief, dangerous and pitiless moment, an Orpheus whose descent into Hell is permanent. I suspect that the choreographer intends the seemingly rational figures of the doctors to be other inmates. The aspect of group-therapy in the behaviour of the rest is obvious, but fluctuating by reason of the levels of role-playing which take them increasingly far from reality.

At a time when the SWRB has never seemed a more cohesive ensemble, every praise is merited by the entire cast. Siobhan Stanley, Stephen Wicks, Judith Rowan are very fine. Desmond Kelly's hauntingly suggests the menace and sadness of the young man's personality; and Marion Tait is confirmed as the most gifted dramatic ballerina the Royal Ballet now possesses. In *Playground* she gives a performance in which sensitivity of expression in dance and acting wonderfully combine.

Sadler's Wells

## Napoli by CLEMENT CRISP

The last act of *Napoli*, that cascade of tarantella steps and joys de rive, is one of the most stimulating and heart-lifting sequences in all ballet. It comes as the culmination of Bourdonville's truest masterpiece, and as danced by Scottish Ballet last Thursday (the company is at the Wells until the end of this week) it had the proper joyous ring to it.

*Napoli* is Bourdonville's homage to the Italy he loved, as with many of his works it was the fruit of direct observation which he marvellously transmuted into dance. The ballet can be seen as a sequence of genre pictures, reflecting mid-19th-century taste for local colour—a quayside scene is followed by an exercise in high romantic fever in the Blue Grotto which in turn yields to a portrayal of peasant festivity. What controls and shapes these incidents into the matter of a wonderful work of art is Bourdonville's dramatic skill and his sensibility of feeling.

As revived for Scottish Ballet by Foul Galt, *Napoli* retains all the merits of a masterly ballet d'action: dramatic incident and dance are subtly interwoven, and the tale of true love triumphant both convinces and delights. I do not find that the Wells stage offers all the space needed for the expansion of either its mimetic or dance ingredients, and some of the finesse of the Bourdonville style is missing, but the spirit is right, and that is what really counts.

Leading the cast were Elaine MacDonald as Teresina and the company's Hungarian guest Gyula Harangozo as Gennaro. MacDonald is a dear heroine, delicate in playing the difficult scene when she is transformed into a nered, and bringing a lovely lift to her dances in the last act. Harangozo makes an effortlessly charming Gennaro. In the famous mine sequence at the end of Act 1, when he grieves over the supposed death

of Teresina, he shows a total involvement with the young fisherman's emotions; it is full-blooded playing, and his dancing has this same ardent enthusiasm. For the vitally important character roles of macaroni seller and lemonade vendor, street singer and attendant drummer, Scottish Ballet produce artists of the right weight and maturity.

In the last act's explosion of dances, the whole cast is alert, vigorous, and two male soloists—Kit Lethby and Vincent Hantam—seize every technical opportunity with true Bourdonville flair. In scale the production may seem domestic, but there are merits in this approach as we know from the company's fine *Sylvide* and their original *Giselle*. What impresses throughout the staging is that Bourdonville is not betrayed, and *Napoli* remains what it has always been with the Royal Dances—an expression of the joy and nobility of Bourdonville's genius.

## Arts news in brief

The veteran comedy *Not Now, Darling* by Roy Cooney and John Chapman will open at the Savoy Theatre on November 7. There will be previews from October 31. The company will include Leslie Phillips, Terry Scott, June Whitfield and Sylvia Sims, and Ray Cooney himself will direct.

Whose Life Is It Anyway? is to close on October 27 after a run of 20 months.

Alan Strachan, artistic director of the Greenwich Theatre, has announced seven new productions for the 1979-80 season. It opens on September 26 with *The Passing Out Parade* by Anne Valery. Set in a wartime

ATS camp, the cast is all female. I sent a Letter To My Love by the Booker prize-winning novelist Bernard Rubens, opens November 1 with Rosemary Leach in the lead. Goldsmith's *She Stoops to Conquer* follows on December 13.

The New Year sees a new comedy by Michael Frayn, *Liberty Hall* (January 24); a revival of Noel Coward's *Private Lives* (March 6); *Dancing in the Dark* (April 17), a musical entertainment devised by Benny Green and Alan Strachan, based on the music of Broadway composer Arthur Schwartz; and finally, opening May 29, a revival of Shaw's great comedy of Anglo-Irish relations, *John Bull's Other Island*.

A Viking gold arm-ring found by a young woman on her honeymoon last year has been bought by the British Museum. The arm-ring, which dates to the 9th to 11th centuries AD, is of Scandinavian Viking origin.

It was found last October by Mrs. Kay Cressay on the beach at Goodington near Torquay, Devon, while collecting shells. At the subsequent inquest it was declared not to be Treasure Trove and was therefore returned to Mrs. Cressay. The arm-ring was sold for £6,500 at Sotheby's in July when it was purchased on behalf of the Museum. It is now on display in the Museum's Early Medieval Room.

TENNIS by John Barrett in New York

## Strongest-ever fields for U.S. title

NOT SURPRISINGLY the fields for the 12th U.S. Open Championships which begin today at the U.S. Tennis Centre in Flushing Meadow Park are the strongest ever, with only a handful of European clay court players choosing not to compete on the fast asphalt courts, which do not flatter their type of game.

Apart from the world record prize money of \$553,800 (\$11,120 more than last year) with \$39,000 each to the two winners, there are personal scores to settle among the leading contenders that will add to the tension.

Curiously, neither reigning Wimbledon champion, Bjorn Borg of Sweden and the self-exiled Czech Martina Navratilova, has won singles titles here.

By the way, the 16-year-old prodigy Pam Shriver, defending her title and going for a fifth successive win in the U.S. Tennis Centre in Flushing Meadow Park, is the strongest ever, with only a handful of European clay court players choosing not to compete on the fast asphalt courts, which do not flatter their type of game.

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# The cost of political opportunism

FOR THE indomitable Mrs. Indira Gandhi the wheel has almost turned full circle. Her followers have already intoned the slogan "Call back Indira, save the country".

When the Janata Party trounced Mrs. Gandhi's Congress Party in the 1977 elections, there was widespread euphoria. The rule of a single party which had lasted for 30 years. This was heightened because of what was thought to be an enlightened electorate's commitment to democracy and its rejection of Mrs. Gandhi's authoritarianism.

This proved to be only partly true. It was really only the opinion of intellectuals in New Delhi's artificial atmosphere much removed from the hundreds of thousands of villages where the bulk of India's 850m population lives.

What the politicians and intellectuals failed to appreciate was the rejection by the largely rural electorate of a system that had catered to the urban needs of, at best, 50m people. During three decades of Congress rule the economy made considerable strides measured in terms of Western concepts of growth. There was a slow but steady rise in GNP of an annual average of 5 per cent that made India the tenth industrial power in the world and self-sufficient in food.

But the poverty and squalor were still there when Janata came to power in 1977. An estimated 420m people were illiterate and nearly 400m lived below the arbitrarily defined poverty line of a per capita income of \$5 a month. Nothing has changed. The issues which should have been before the politicians were poverty, unemployment, illiteracy and disease.

During the 28 months that Janata was in power, it did attempt to give a new orientation to the strategy of economic development. The new industrial policy with its accent on the

small, cottage and rural encouraged decentralised industrial growth and rural employment, and a new priority for agriculture gave fresh hope to farmers. But even Janata stalwarts now admit that what was done was very far from fulfilling the expectations of the people.

The main reason for the collapse of the Janata experiment—a combination of five disparate parties that never managed to merge—lay in its inability to shake off the traditional methods and manners of Indian politics. Personal rivalries, which had plagued India for Congress's 30 years of rule, forced the leaders to give secondary importance to the country's major problems.

Several factors combined to bring down the Janata Government and its 24-day successor, the Janata (Secular) Congress coalition. On the one hand were manoeuvrings of individuals, factions and parties. On the other was a belief that an early General Election would be held because of the Congress increasingly clear each day that the Janata party and Government would not survive its full term to 1982.

## Unreal

Personal rivalries—first those between Mr. Morarji Desai and Mr. Charan Singh and then between Mr. Charan Singh and Mr. Jagjivan Ram—dominated the political scene to the exclusion of other issues. Starting with what now seems an unreal quarrel over "secularism" as it manifested itself on the issue of Hindu nationalist Jana Sangh's links with the paramilitary Rashtriya Swayamsevak Sangh (RSS)—the issue has since receded into the background—it degenerated into a quarrel over caste politics. Mr. Charan Singh is a Jat (of a high-caste agricultural community) and his antagonist was the Harijan (untouchable) leader of the opposi-



tion, Mr. Jagjivan Ram. Both issues are neither unreal nor unimportant since the problems of secularism and caste have long caused social and political tensions that have divided the Indian people. What is disquieting is the opportunistic manner in which the politicians exploited them.

The kind of political manoeuvring displayed in the past few weeks was until recently confined to state politics. For some 15 years, state governments have topped like dominoes because of defections from parties by politicians. This became so acute that recently Parliament actually debated an Anti-Defections Bill which required deserting legislators to resign their seats and seek reelection. The Bill never became

law because of quibbling by politicians in Parliament who belong, after all, to the same tribe.

When Mr. Charan Singh and his followers left the Janata Party and formed the break-away Janata (Secular) Party a month ago, the phenomenon of defections arrived on the national scene. The defections tried to make a distinction between a party split and a defection. But the politicians stand exposed: events have shown how weak are their convictions.

Mr. Charan Singh, the stern guardian of "anti-authoritarianism", became Mr. Gandhi's friend in what he confessed was his life-long ambition to be Prime Minister. This he finally achieved, albeit briefly (although he continues as the

caretaker Prime Minister). The left wing Mr. H. N. Bahuguna, a sworn enemy of Mr. Charan Singh who had earlier called him a KGB agent, unhesitatingly became Finance Minister in his cabinet.

Among the younger politicians, the greatest fall was that of Mr. George Fernandes, the former militant trade unionist who seemed to have had a remarkable success as Minister of Industry. In one week, he demolished his image by a piece of opportunism that was breathtaking. He stoutly defended Mr. Desai in Parliament one day and went over to Mr. Charan Singh the next to stand on the side of Mrs. Gandhi whose bitterest opponent he had been.

With India's political parties breaking up into innumerable splinter groups for tactical considerations, politicians have lost their credibility. There is now visible in towns and cities a deep disillusion over the manner in which they have changed sides and views. Many fear that by doing so, the politicians are disfiguring not only their own faces but also that of parliamentary democracy.

The stunts are not propitious for any great improvement after the elections. For one thing, it seems that the era of national parties is over. The Congress ruled for 30 years mainly under the leadership of the late Jawaharlal Nehru and his daughter, Mrs. Gandhi. The Congress is now divided into three splinter groups, of which Mrs. Gandhi's faction alone is gathering strength. But none has a national power base. Even in South India, where for a while Mrs. Gandhi seems to have emerged as a key figure, the party has split. In its place have emerged local leaders with their power bases in their own states.

The new development in the past 28 months has been the strengthening of regionalism and regional politics. In the

East and North-East, the Marxists have emerged as powerful and it is unlikely that they can be challenged by any of the national parties in such states as West Bengal, Tripura, and Assam. In the south the regional parties are even smaller, owing their allegiance either to single individuals (for example, Mr. Devraj Urs in Karnataka) or a local group (like the Dravida Munnetra Kazhagam in Tamil Nadu, which climbed to power on a language issue).

## Oblivious

In northern India, the Sikh Akali Dal dominates the Punjab while Kashmir has its own political system in which Sheikh Abdullah and his rivals contend for power within the state. Oblivious of what happens in the rest of the country, local groups also abound in the northern states but the battleground for the national parties is really the Hindi-speaking northern belt, especially the populous states of Uttar Pradesh, Bihar, Madhya Pradesh and Orissa, although this must be qualified by the fact that factional politics are crucial there also.

Of the national parties, Janata lies badly bruised, if not mortally wounded. It is led by Mr. Jagjivan Ram who has national appeal as a leader of long standing, apart from the lower-caste votes that he will attract because he is a Harijan. Indeed, the Janata's main complaint will be that a Harijan was prevented from becoming Prime Minister. But its dominant element is the Jana Sangh. Although it is the least beset by the mad of opportunism, it stands isolated because of links with the much-maligned RSS with which it must make a clean break if it aspires to national status.

The other national party that can expect to contest the election is the Janata (Secular)

party of Mr. Charan Singh and his Congress partners in the coalition he managed to form. This Congress group is opposed to Mrs. Gandhi but its image has been tarnished by the alacrity with which its leaders joined Mr. Charan Singh, whom they had bitterly attacked until just a month ago. Its rank and file is disillusioned but the party has a base of sorts in the south since local leaders in Karnataka and Andhra find it expedient to be long. Talks on an actual merger between the Janata (Secular) party and this faction of the Congress are in progress.

The third is Mrs. Gandhi's Congress faction. Reduced to a virtual nonentity after the 1977 election, the former Prime Minister has surprised everyone by springing back to political life despite, and possibly because of, her claims that she is being persecuted (and prosecuted) on concocted charges by her political rivals. All the attempts of the Janata Government to turn her charisma have failed. By her stubborn refusal to apologise for her emergency misdeeds and her violent counter attack on the performance of the Janata Government, Mrs. Gandhi adopted a strategy that proved highly effective.

Indeed, by being instrumental in and possibly responsible for toppling both the Desai and Charan Singh governments, Mrs. Gandhi has once again proved that she has few peers in tactics. She can point to the mess her successors have made to suggest that she alone can rule the country. It seems scarcely credible that India will turn to her again, especially as she makes no secret of the fact that she comes complete with her son Sanjay and her discredited minions. When she was swept away in 1977 it appeared that she had permanently forfeited the right to rule. This was reinforced by the evidence of gross abuse of power that emerged

in commissions of inquiry appointed by the Janata government.

Yet a recent opinion poll conducted by India Today magazine shows that an astonishingly high 48 per cent of the people in urban areas—affected by Sanjay's sterilisation programme—want her back as Prime Minister. Mr. Morarji Desai is wanted by just 19 per cent while only 13 per cent opt for Mr. Jagjivan Ram. Even more curious is the finding that 64 per cent of those polled feel that the country was better off during the emergency. Just 26 per cent plumped for the Janata. Mrs. Gandhi must be drawing much comfort from the fact that an independent poll has substantiated her opinion of herself.

But Mrs. Gandhi must also be aware that the climate of opinion in the country is totally different now from what it was during the last general elections. If the people were dissatisfied by her in 1977, they are disillusioned with all politicians now.

## Issues

The issues that the elections will be fought on are difficult to identify, although both Mrs. Gandhi and Mr. Charan Singh say they are the champions of democracy and secularism while the Janata Party says it will not yield to authoritarianism.

While they prepare for the hustings and bargain with the powerful regional parties that have emerged, the country is threatened with neglect for another three months. The economy has been moving under its own momentum for nearly three years because of surplus food stocks and substantial foreign exchange reserves. But inflation has reared its ugly head for the first time in three years—it is running at 13 per cent—and to tackle this needs immediate decisive action.

## Registration of engineers

From the Technical Director, General Electric Company

Sir,—In his letter of August 17 the secretary of the Institution of Electrical Engineers welcomed the General Electric Company's initiative in sponsoring an engineering degree course tailored to meet industrial needs.

It is unfortunate that he coupled this with a re-statement of views in support of statutory registration and reservation of "certain engineering work of particular significance to the community" to such registered engineers.

GEC is engaged on many projects which come within this definition, but we rely on the experience and responsibility of identified members of our engineering and scientific staff, and that of their opposite numbers in customers or approving authorities for such work, to ensure standards of performance and safety, rather than on a class of employees who by education and training would qualify for registration.

The only justification for registration of members of a profession is protection of the public. Engineers and scientists in manufacturing industry do not have a relationship with members of the public which would call for this, so that their registration and the concomitant pooling of their activities in a new and burdensome bureaucracy to no good purpose.

In our view there is not a case for registration of engineers in manufacturing industry, and introduction of reservation of certain work to registered engineers would be to the disadvantage of both industry and its customers.

R. J. Clayton,  
Hirst Research Centre,  
East Lane, Wembley, Middlesex.

## Courses at all levels

From the Engineering Director, GEC-Marconi Electronics.

Sir,—It was gratifying to read (August 17) of Mr. Gainsborough's welcome to the new degree course being developed jointly by ourselves and Bath University. The point he makes concerning the needs of the majority who are not so highly gifted academically is timely. We are hoping that the principles upon which the Bath course are based will be applied in ordinary degrees and the lower level courses designed for technicians. A knowledge of support technology is vital to all engineers operating in industry, whatever their academic level and whichever branch of product engineering they may choose.

I would agree with Mr. Gainsborough that the lower the academic level, the more appropriate it is for courses to become more specialised, but we need engineers at all levels who can act professionally to the benefit of themselves, their employers and of the community to which they belong. For that to happen they need a knowledge of all the factors outside the boundaries of a particular product discipline; without this their contributions are

## Letters to the Editor

likely to be technically interesting but costly to make and impractical in use.

This belief in the importance of engineers at all levels acting professionally is only one of the reasons why we do not favour the concept of registration that have been put forward by some interests to the Finlston Committee.

High Wassell,  
GEC-Marconi Electronics,  
Marconi House,  
Chelmsford, Essex.

## Too many cuts a mistake

From Dr. A. Budd and Professor T. Burns

Sir,—While we accept that the misunderstanding is partly our own fault, we would like to correct the impression given in your leading article of August 24 that we advocated an increase in the public sector borrowing requirement in 1980-81 of £34bn. Our correspondence to the *Times* (August 23) went even further and due to an arithmetic error suggested this would imply a figure of £143bn.

Our analysis (subject to normal forecasting error) concluded that an increase in the PSBR of £34bn would lead to the same monetary stance as 1978-80 after allowance for inflation and the expected recession. We did not, however, say that this was the correct policy. We agree with you that there should be a progressive tightening of monetary policy, while the current high interest rates and pressure from the "corset" suggest that the PSBR is currently high.

We thought our own preference for a tightening of financial policy next year was implied in our article but obviously this was not stated sufficiently clearly. We did not wish to put a precise figure on our preferred PSBR. Our main objective was to warn against excessive cuts in the public sector expenditure cuts in a mistaken attempt to reduce next year's PSBR below this year's target regardless of the expected world slow-down. We believe that such a policy would be a serious error.

(Dr.) Alan Budd  
(Professor) Terry Burns,  
London Business School,  
Sussex Place,  
Regents Park, NW1.

## Direct labour organisations

From the Deputy Director, Aims of Industry

Sir,—News that yet another local authority direct labour building organisation (DLO) has been severely criticised by the Government auditor emphasises the importance of the Government's proposed legislation to control DLOs and to reduce local government waste. It would be extremely damaging to the economy if this latest attempt to deal with public sector management failed to achieve its objectives.

The auditor's report—on the London Borough of Brent's DLO—has a familiar ring: substantial overspending, long delays in completing work, final accounts not produced, doubtful accuracy of records, low

productivity. A large discrepancy between losses admitted by the DLO and the higher figure stated by the architects indicates how little control a council has over direct labour operations. Yet the leader of the Brent Council favours expanding the direct labour force.

This and many other cases of direct labour failure demonstrate how much legislation is needed to establish proper machinery compelling these organisations to justify their existence by showing that they produce value for money. The Government's proposals for legislation based on the 1975 report from the Chartered Institute of Public Finance and Accountancy (CIPFA) go a considerable way to meet this need. There will, however, have to be a clear financial yardstick for DLOs to meet and Government power to deny them further finance if they fail.

Some reports of the Government's intentions unfortunately create the impression that the CIPFA report was accepted by the construction industry. As the Government's own announcement makes clear, the industry considered it "a useful basis for action." It is only a basis and without significant strengthening, legislation based on the report would be as ineffective as direct labour reforms attempted 10 years ago. A great deal of public money has been lost since then.

Malcolm Hoppé,  
Aims of Industry,  
40, Doughty Street, WC1.

## Executive perks

From the Director-General, British Institute of Management

Sir,—I was interested to read David Freud's (August 24) comparisons on executive perks world-wide. There is no doubt, as the Government's discussion document admits, that the habit of offering fringe benefits (most of which are taxed in some way) to attract and retain skilled professionally qualified managerial staff has grown rapidly.

If, as David Freud states, British companies appear to lead the developed world in the provision of fringe benefits to employees, there is a very good reason for this. Namely that the growth has been brought about under a system whereby salary increases have been restricted by pay policy and incomes have become highly taxed.

Equally there is no doubt that adding a lot of fringe benefits to a salary is not the most efficient nor satisfying way of remunerating managers. There is a good case for paying people proper competitive salaries and ensuring that taxation allows them to keep and spend as they wish a higher proportion of their salary.

The development of all types of benefits has been going on for some years and to change these is not as simple as it sounds. Furthermore, many eminently sensible additional benefits have been developed over the same period as part of a deliberate policy by both unions and employers aimed at improving terms and conditions of employment.

These include improved pensions, extended sick-pay, longer

allowed absence when sick, longer holidays, death in service insurance, accident insurance, free medical check-up, free convalescence and so on. All sensible developments in employee policies. How will these be dealt with? If travel to work by car is iniquitous, what about travel concessions by bus, air and rail for those in those industries? Concessionary costs? The subsidised season ticket? It is a very complex situation.

The level where a company car, for instance, is most appreciated is that of a middle manager and unfortunately it is this group that has suffered most with narrowing of differentials and the combined effects in pay policy, high taxation and inflation in the last five years.

It is regrettable that this move to company cars has, by its bad choice and bad timing, raised the furore it has at a time when so much support and encouragement is needed, especially because most managers recognise that there is a case for reviewing the whole field of fringe benefits. A piecemeal approach can only lead to the emergence of more anomalies. What is needed is a comprehensive approach, a better understanding of the whole complex field by Government, trade unions and management; the development of an overall policy, and time to implement it as the Government's own programme of tax reduction develops.

Roy Close,  
Management House,  
Parker Street, WC2.

## Fringe benefits and tax

From Mrs. C. Dunn

Sir,—Your correspondent from the Institute for Fiscal Studies (August 22) rightly discussed the fallacy of "grossing up" the taxable values of benefits in kind. He is also right when he says that the taxable value of a fringe benefit should never exceed what it would cost the individual to provide it for himself. But he fails to mention that under existing tax laws many of the common fringe benefits—namely cars and cheap loans—are assessed in purely nominal sums upon directors and higher-paid employees and not at all upon those employees whose earnings, including benefits, do not exceed £8,500 a year.

Only as regards a very limited range of benefits is an individual taxed on a sum which corresponds closely to the amount he would need to spend from his own pocket to secure those same benefits. Thus only when all benefits enjoyed by all employees—not merely directors and higher-paid employees—are assessed on this basis will it cease to be advantageous to take part of a remuneration package as fringe benefits. Despite the Inland Revenue's consultative document that day is a long way off.

Fringe benefits are here to stay: to tax them adequately—let alone fully—is a Herculean task akin to cleaning the Augean stables and is probably beyond the ability of any Government within the foreseeable future.

(Mrs.) C. F. H. Dunn,  
3 Wellington Court,  
Wellington Road,  
Hampton Hill, Middlesex.

## GENERAL

UK: Association of Scientific Technical and Managerial Staffs and the Society of Civil and Public Servants launch a booklet and a campaign against QUANGOS against current attacks.

Clerical and administrative staff strike closes inner London magistrates' courts.

Mr. Alasdair Milne, BBC TV managing director, and Mr. Bill Cotton, controller of BBC1,

## Today's Events

present autumn season programmes.

Overseas: Mr. Walter Mondale, U.S. Vice-President, in Peking for talks with Chinese leaders on economic and trade issues.

U.S. Commerce Department, Washington, publishes July trade figures.

COMPANY RESULTS  
Interim dividends: H. Brammer

and Co. Fairclough Construction Group, IML MacFarlane Group (Glansman).

COMPANY MEETINGS  
See Financial Diary on Page 18.

EXHIBITIONS  
International Motor Cycle Exhibition, Earls Court (until September 1).

Images of the Industrial Revolution, organised by the Ironbridge Gorge Museum, Royal Academy of Arts, Piccadilly (until November 17).

LUNCHEON MUSIC, London  
48 Preludes and Fugues by Bach, played by Harold Dexter, St Botolph Aldgate, 1.00 pm.

Works by Bach, Stanley, Mozart, Langlois and Bonnet, played by Andrew Leach (organ), St. Lawrence Jewry next Guildhall, 1.00 pm.

# How to make sure the builders finish before the grants do

If you're contemplating a new building in any but the most depressed parts of Britain, you have about 18 months to get it up before the regional grants are drastically cut—or disappear altogether.

Plenty of time? Not when you remember that if you go about it the conventional way you'll spend a third of it getting tenders in.

For Bovis, though, it is time enough. For one thing we don't tender. There is a better way for you to make sure you get value for money, and it doesn't waste time either. It is called the Bovis Fee System, and we shall be happy to explain it to you any time you like.

We not only get onto your site far sooner, but we work faster when we're there—and that's another claim we shall be happy to substantiate. It rests on our management skills; management is Bovis's great contribution to a contract, and it has won us a reputation for prompt delivery which we are determined to keep.

So if you want to make sure you don't miss out on a grant, talk to Bovis. The number is 01-422 3488 and the man to talk to is John Gillham.

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Address \_\_\_\_\_

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Indices

Japan and Markets

## INTERNATIONAL BONDS

BY NICHOLAS COLCHESTER AND FRANCIS GHILES

## The need for stronger medicine

STRAW poll of major international investors in the dollar market of the Eurobond market indicates a dollar proportion in multi-currency funds of just 30 per cent. Fund managers remain almost unanimous as much as possible of this and certainly all new investment should be in the money market or invested at short term rates.

There is a rather unsteady majority who feel that the decline of high interest rates administered by Mr. Paul Volcker, the Fed chairman, will not be enough. Last week's money supply figures and a continuing strength of bank credit, only reinforced the feeling that short term interest rates need to go up still further before the market is ready to switch to bonds.

On Friday morning, the six-month Libor rate rose by 1/4 per cent to 12 1/2 per cent, and the week to 12 1/2 per cent. This was all up on its level a week earlier. With bonds currently yielding around 10 1/2 per cent, it made it still more expensive for dealers to carry inventory. Some of the mark-downs in dollar prices early in the week were attributed by dealers to

secondary market prices fell by up to two points on the week and some dealers reported that institutions were not interested even in swapping bonds, so gross was their current aversion to the market. It was therefore not surprising that, for the third week running, there was no sign of a new dollar straight issue but that Floating Rate Notes, secured to America's high credit, mounting short term rates of interest, remained in demand.

The interest rate on the first \$100m tranche of the "Euro FRN" by Citicorp was fixed last week at 11 1/2 per cent, the mean, between the bid and offered three-month London interbank rate. Last Friday's market rumours suggested that the entire financing of \$300m had been completed.

When this FRN was launched at the end of last month, Citicorp's First Boston it met with a very warm response from investors. That a second tranche of \$200m was released so quickly comes as no surprise considering the sharp rise in Eurodollar rates. If, for instance, the first tranche of the Citicorp tap had been fixed

two days later than it was, the bank would have paid a coupon of 12 1/2 instead of 11 1/2 per cent. The \$75m FRN for Williams and Glyn's also met with a very good reception and the lead manager, Credit Commercial de

France, decided to advance the closing date for subscriptions today.

Other major sectors of the bond markets remained quiet last week, with the exception of the Swiss franc sector where gains of between 1/4 and 1/2 of a point were registered in active secondary market trading. New issues were announced in a number of sectors.

The second Canadian dollar bond in two weeks is being arranged for Bell Canada through UBS (Securities). The amount of the issue, which carries an indicated coupon of 10 1/2 per cent and a bullet

in three equal tranches for the Republic of Austria will be completed through Bayrische Landesbank today. The collector manager is a Kuwaiti house KFTCIC, with half this issue

having been pre-placed in the Middle East. The indicated terms of this placement suggests that yields on new foreign D-Mark bonds have not moved during the past two weeks. They include coupons ranging from 6 1/2 to 7 1/2 per cent for maturities running from 5 to 10 years.

The larger than expected new D-Mark issue, however, caused by the West German Capital Markets Sub-Committee earlier in the week did not depress secondary market prices as the quality of the borrowers during the next four weeks remains very good.

The first French franc foreign bond since June was launched last weekend for Air France through Credit Commercial de France. The indicated coupon on this FRN 75m five year bullet was finally set at 11 per cent. This followed the easing in price of French franc bonds both foreign and domestic which occurred on Thursday and Friday.

Most of these options typically represent a cheaper source of borrowing for the banks themselves. The question of compensating balances on U.S. banks' domestic lending, under which a borrower usually re-deposits with the bank a certain proportion of the loan, is not seen as a problem. Increasingly, the prudential risk in such loans is recognised by a slight extra margin over prime, rather than requesting a matching balance.

Some U.S. bankers are urging that the move to a domestic lending base should be even more aggressive. Borrowers should be offered a wide range of loan-pricing alternatives with margins geared to large, large-denomination CDs in New York or Treasury Bills.

It is pointed out that foreign banks have made substantial progress in establishing North American networks, and would therefore not necessarily be barred from this type of business.

## CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
<b>U.S. DOLLARS</b>							
*Citicorp	100	1983	3 1/2	—	100	Credit Suisse First Boston	—
*Citicorp	200	1983	3 1/2	—	100	Credit Suisse First Boston	—
*Williams & Glyn's Bank	75	1991	12	5 1/2	100	CCF	5.32*
*Norges Kommunalbank	100	1999	12	—	—	—	—
*Imperial Oil of Canada	250	2009	21	—	—	—	—
*Siam Commercial	20	1984	5	7 1/2	100	—	—
<b>SWISS FRANS</b>							
*Danish Mortgage Bank	80	1991	n.a.	4 1/2	99	Swiss Bank Corp.	4.86
*New Zealand	100	1989	n.a.	4 1/2	99 1/2	Swiss Bank Corp.	4.435
*Bank Handlowy	30	1989	n.a.	5 1/2	100	Banque Paribas, Kurz, Bungeer	5.06*
*Bank Handlowy	41	1984	n.a.	4 1/2	100	Trade Dev. Bank, Sodit	4.75
<b>FRENCH FRANS</b>							
*Air France	120	1984	5	11	—	CCF	—
<b>CANADIAN DOLLARS</b>							
*Bell Canada	75	1986	7	10 1/2	—	UBS (Securities)	—
<b>YEN</b>							
*Electrobras	10bn	1985/89	—	8.3	100	Nomura	8.47
<b>UNITS OF ACCOUNT</b>							
*Copenhagen Cntry. Auth.	20	1991	5	8 1/2	—	Kreditbank Luxem.	—
<b>KUWAITI DINARS</b>							
*Caisse Cen. de Cooperation Econ.	10	1994	9.4	8	—	KIIC, Credit Lyonnais	—

\* Not yet priced. \* Final terms. \*\* Placement. \* Floating rate note. \* Minimum. \* Convertible. \* Registered with U.S. Securities and Exchange Commission. \* Purchase fund. Note: Yields are calculated on AIBD basis.

## U.S. BONDS

BY JOHN WYLES

## A tinge of pessimism

INVESTORS in the U.S. bond market appear for the moment to have lost their money in vaults or wherever else they keep it, and to have thrown away the book. The somewhat optimistic sentiment of early August, evidenced by Mr. Paul Volcker's elevation to the chairmanship at the Federal Reserve Board and evidence of economic slowdown has given way to uncertainty tinged with pessimism.

The reasons are not difficult to find. In two consecutive weeks the Fed has boosted its funds rate target, apparently leaving it standing at around 11 1/2 per cent on Friday—a target the Central Bank seemed to confirm yesterday by intervening to keep the rate when funds were trading at 11 1/2 per cent. The impact has been predictable with 90 day negotiable certificates of deposit being quoted at around 11.20 per cent yesterday, 90 basis points higher than the week before. An increase in the commercial banks' prime rate this week to a record 12 1/2 per cent will not surprise anybody and analysts believe that the prime rate's peak for the current cycle could well be 12 1/2 per cent.

On the one hand Mr. Volcker's Fed, is being credited, at least by many monetarists, with the painful medicine needed to get a grip on U.S. inflation which is still running at an annual rate of more than 13 per cent. But with the money supply continuing to grow at a rate which threatens this, Fed targets, the money markets are increasingly nonplussed about the timing and indeed the level at which the longer-for peak in interest rates will materialise. This is one cause for the current lack of activity in the bond market which opened as quietly yesterday as it closed on Friday.

The other important factor is that long-term bond rates have not yet matched the recent increases in short-term rates. Since the third week in June, when the market was clearly offering last week from the Northwestern Bell Telephone Company, impecably rated, the issue carried an unusual redemption feature which clearly was the market. Carrying a 9 1/2 per cent coupon and priced to yield 9.33 per cent the offering can be redeemed after five years at 104.75 per cent instead of the normal 100 per cent of face value plus the coupon rate.

Usually, short and long rates have kept more in step but historical experience attests that the long-term market does eventually make the adjustment and that when it is out of line,

as it is now, it is more often than not attributable to expectations of an imminent rate peak. Devoutly wished, but painfully slow to materialise, this phenomenon may well have been further delayed by Mr. Volcker's appointment and until long rates start to look more attractive, retail demand is unlikely to stage much of a revival.

This doubtless will affect prices attached to the smattering of new corporate issues due this week. Of some interest will be the conclusions, if any, to be drawn from the plight of a new \$300m 37-year debenture offering last week from the Northwestern Bell Telephone Company. Impecably rated, the issue carried an unusual redemption feature which clearly was the market. Carrying a 9 1/2 per cent coupon and priced to yield 9.33 per cent the offering can be redeemed after five years at 104.75 per cent instead of the normal 100 per cent of face value plus the coupon rate.

The underwriters met with considerable sales resistance and in the secondary market the issue's bid price has dropped to 98 to yield 9.68 per cent.

## INTERNATIONAL LOANS

## The U.S. primes the Libor debate

BY JOHN EVANS

MAJOR AMERICAN banks are seen to tempt more foreign borrowers into the U.S. domestic capital markets, partly in the aim of preserving their ready declining share of the 700m-year international syndicated loans market.

As part of this effort, several are trying to persuade overseas borrowers to accept the U.S. prime rate as the normal pricing mechanism for loans, in preference to the conventional London interbank Eurocurrency rate formula (Libor).

With a domestic recession coming, senior management in several U.S. banks have in recent weeks instructed their branches to seek more overseas assets. To win new business, however, banks such as Morgan Guaranty and Citicorp have been forced to drop their resistance to declining Euro-

market margins, extending credits at spreads of 1/2 per cent above point or less. Faced with this squeeze on their profitability, banks are eager to see prime rate supplant

the Libor mechanism. In conventional Euro-loans, the Libor formula is the base used in pricing the overall interest charge. Among U.S. banks, the domestic prime rate is largely a discretionary mechanism, representing the national level at which they will lend to their highest-rated customers.

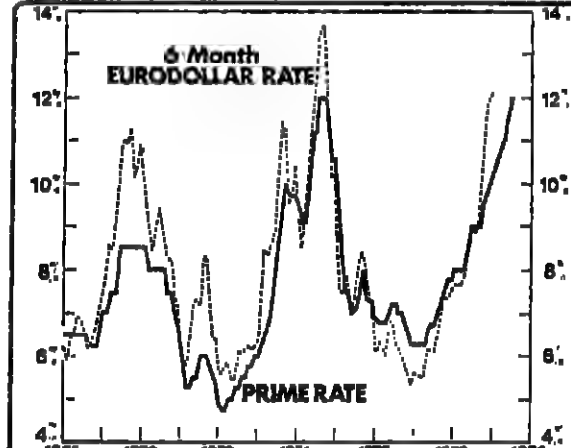
Over the past decade, the typical Eurodollar Libor has been on average about five basis points higher than prime, although more recently the relationship has reversed as the U.S. has tightened its credit policies.

One implication is that U.S. banks prefer a prime-based formula, in that it can generate extra profit on lending. In fact, banks recognise this point, and invariably concede a lower margin over prime than they would on a Libor basis.

For instance, Manufacturers Hanover is assembling \$800m for the Italian state company ENEL at a split-margin over its prime of 1/4 and 1/2 percentage. By contrast, ENEL

raised \$800m a few months ago on a conventional Libor-based credit, at margins of 1/4 and 1/2 points. One banker explains that by going over to an American-based pricing formula, both the bank and the international borrower are assured of easier access to a supply of funds from

in funds to support their lending from a wider variety of money market options—such as CD's bankers' acceptances, commercial paper and the Federal funds markets. Most of these options typically represent a cheaper source of borrowing for the banks themselves. The question of compensating balances on U.S. banks' domestic lending, under which a borrower usually re-deposits with the bank a certain proportion of the loan, is not seen as a problem. Increasingly, the prudential risk in such loans is recognised by a slight extra margin over prime, rather than requesting a matching balance.



## FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS					YEN STRAIGHTS					OTHER STRAIGHTS					EUROPEAN STRAIGHTS				
Issued	Bid	Offer	Change on day	Yield	Issued	Bid	Offer	Change on day	Yield	Issued	Bid	Offer	Change on day	Yield	Issued	Bid	Offer	Change on day	Yield
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
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U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
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U.S. Gov. 10 1/8	100	100	0	10.10	Australia 5 1/2	100	100	0	10.10	Canada 10 1/8	100	100	0	10.10	France 10 1/8	100	100	0	10.10
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# Chief Executive

OIL

To lead the oil business of a major international group into the eighties.

- **PROVEN SUCCESS** in the management of integrated oil activities in an international context is the essential requirement.
- **UK-BASED:** terms are negotiable and will be attractive to those already earning over £30,000.

Write in complete confidence to D. A. O. Davies as adviser to the group.

## TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS  
10 HALLAM STREET LONDON WIN 6DJ  
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

# Opportunities in Money Broking

We're looking for ambitious people to join our expanding organisation. We are M.W. Marshall & Co. Ltd., one of the world's leading international Money Brokers, and we have vacancies for dealers in a number of departments in our London office.

The job calls for energy and initiative with the ability to work as a member of a small close-knit team. These qualities are more important than experience, although a financial background would be an advantage.

We offer a competitive salary which, after a period of training, will be related to initiative and performance. There are also excellent opportunities to work in one of our 12 overseas offices.

If you are interested in joining us, please write with full details of your career to G. Westbrook, London Staff Director, M.W. Marshall & Co. Ltd., 52 Cannon Street, London, EC4N 6LU.

Marshall's

A Member of the Mercantile House Group.



## APPOINTMENTS WANTED

BILINGUAL SPANISH young lady, high level education, five years experience as Executive Secretary, ability to conduct and organise business, seeks suitable position either in Spain or abroad. Write: CINCUNEGUI, Hermanos Miralles 33, Madrid-1, Spain.

## PUBLIC NOTICES

THE ROYAL BOROUGH OF KENSINGTON AND CHelsea VARIABLE RATE REDEMPTION STOCK 1983  
The Council of the Royal Borough of Kensington and Chelsea announce that the half-yearly payment of interest due on 24th February 1980, on the above Stock will be at the rate of £7.21875 (seven pounds two shillings and one penny) per £100 Stock.

## CLUBS

EYE has acquired the other because of a policy of fair play and value for money. Super from 10.30 am. Disco and pop music. 189, Regent St. 734 0887.

## TRAVEL

GENEVA, Basel, Zurich and Bern. Widest range of cheap flights from 4 UK airports. Brochure CP Ltd. 01-281 3191. Telex 910078. ATOL 3088.

## JAMMAL TRUST BANK S.A.L.

London Branch: 13/14 Hanover Street, London, W1

Following vacant posts now exist:

1. Experienced person conversant with exchange control regulations in the UK (retired person with all-round experience can apply).
2. Assistant manager with all-round experience in all sections and able to analyse balance sheets.
3. Credit Officer with previous vast banking experience.
4. Head of documentary credits with vast experience.
5. Assistant head for documentary credits.
6. Public Relations Officer. (Knowledge of Arabic language is advantageous).
7. Secretary with shorthand (preferably with previous banking experience).

Interested applicants please apply in writing together with C.V. and present position held, indicating which post you are interested in. Only short list candidates with good experience will be invited for interviews.

(Applications will be treated in strict confidence)

Please apply to Jammal Trust Bank, 13/14 Hanover Street, London W1R 0B, attention of the Chairman.

## GENERAL MANAGER

£10,000 p.a. Neg.

Top West End night club is looking for a young (30-45) General Manager/ess preferably with a degree or catering qualification, who has had experience in all aspects of food and beverage control as well as general administrative duties. Rewarding and fascinating career opportunities with rapidly expanding young company based in W.1. Salary £10,000 p.a. negotiable. Write in confidence enclosing curriculum vitae to:

THE MANAGING DIRECTOR  
DERRIHAM LIMITED,  
7 OLD BOND STREET, LONDON, W.1.

## REED INTERNATIONAL LIMITED

(INCORPORATED IN MALAYSIA)

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the forty-seventh annual general meeting of the company, REED INTERNATIONAL LIMITED, will be held at the registered office of the company, Wisma Borneo Raya, 152, Jalan Ampang, Kuala Lumpur 50450, Malaysia, on Wednesday, 19th September 1979 at 11.30 am for the following purposes:

1. To consider and, if thought fit, pass the following resolutions:
  - a. That the profit and loss account for the year ended 30th April 1979 and the balance sheet of the company at that date, together with the audited report of the directors be and are hereby approved and adopted.
  - b. That Mr. A. J. W. Weston who retires from the board by rotation be and is hereby re-elected a director of the company.
  - c. That the sum of \$26,250 being directors' fees for the year ended 30th April 1979 be and is hereby approved.
  - d. That Messrs Turensa Ernes & Woonney be and are hereby appointed the company's auditors until the conclusion of the next annual general meeting and that their remuneration be fixed by the board.

By order of the Board  
SULRIN TALIB  
Secretary

Kuala Lumpur  
27th August 1979

KURE

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company. A form of proxy is available from the company secretary. The form of proxy must be deposited with the company secretary, Wisma Borneo Raya, 152, Jalan Ampang, Kuala Lumpur 50450, Malaysia, not less than 48 hours before the meeting.

THE GREAT NORTHERN TELEGRAPH COMPANY'S HOLDING COMPANY LIMITED

A dividend of 12½% for 1978-79, based on the Danish share nominal value of the shares, i.e. Kr. 5.00 per share, is payable on or after 28th August 1979.

Shareholders may now be lodged by the company's Depository at Hambro Bank Limited, Stock Office, Cannon Street, London EC4A 3DF, for the purpose of the dividend which is subject to Danish withholding tax at 30%.

Shareholders who are not registered with the company's Depository may have the dividend paid after deduction of only such withholding tax as may be payable on or after 28th August 1979.

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## COMPANY NOTICES

### LOWER PERAK TIN DREDGING BERHAD

(Incorporated in Malaysia)

### NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the forty-seventh annual general meeting of the company, LOWER PERAK TIN DREDGING BERHAD, will be held at the registered office of the company, Wisma Borneo Raya, 152, Jalan Ampang, Kuala Lumpur 50450, Malaysia, on Wednesday, 19th September 1979 at 11.30 am for the following purposes:

1. To consider and, if thought fit, pass the following resolutions:
  - a. That the profit and loss account for the year ended 30th April 1979 and the balance sheet of the company at that date, together with the audited report of the directors be and are hereby approved and adopted.
  - b. That Mr. A. J. W. Weston who retires from the board by rotation be and is hereby re-elected a director of the company.
  - c. That the sum of \$26,250 being directors' fees for the year ended 30th April 1979 be and is hereby approved.
  - d. That Messrs Turensa Ernes & Woonney be and are hereby appointed the company's auditors until the conclusion of the next annual general meeting and that their remuneration be fixed by the board.

By order of the Board  
SULRIN TALIB  
Secretary

Kuala Lumpur  
27th August 1979

KURE

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company. A form of proxy is available from the company secretary. The form of proxy must be deposited with the company secretary, Wisma Borneo Raya, 152, Jalan Ampang, Kuala Lumpur 50450, Malaysia, not less than 48 hours before the meeting.

THE GREAT NORTHERN TELEGRAPH COMPANY'S HOLDING COMPANY LIMITED

A dividend of 12½% for 1978-79, based on the Danish share nominal value of the shares, i.e. Kr. 5.00 per share, is payable on or after 28th August 1979.

Shareholders may now be lodged by the company's Depository at Hambro Bank Limited, Stock Office, Cannon Street, London EC4A 3DF, for the purpose of the dividend which is subject to Danish withholding tax at 30%.

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Alexander Fund 37, rue Notre-Dame, Liège Alexander Fund	31-2-65	—	Keyser Uhlmann Ltd. 25, Main Street, EC2V 6JE. Fonseleer, ..... JF: 377 : 577 .....	01-606
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1 Thomas Street, St. Peter Port, G.D.	US\$4-13.94	
AHEGHC Eas.Fa. . . . . 12.00	11.76	
<b>Arbutnot Securities (C) Ltd</b>		
1, Charing Cross, St. Helier, Jersey,	(053-) 73	
Valley Hill, St. Peter Port, G.D.	(081) 24	
2 Thomas Street, G.D., L.O.M.	(062) 24	

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97		Ext. & Int'l. T. (C) ... 1104 ... 3.38
96		Ext. & Int'l. T. (C) ... 1104 ... 3.38

127 Kent St., Sydney	Guernsey Inc.	85 9	85 9	85 9
US\$1 Shares.	Do Accum.	86 9	86 9	86 9
Not later than November 29.	18 Far East Fd	88 15 88	88 15 88	88 15 88
	18 Gift Fund	116 47	116 47	116 47

Price at Aug. 15 (next day) Aug. 16	U.S. Savings Bonds	\$105.32 1/4	.....
	U.S. Govt. Bonds	\$101.12 1/4	.....
	Signal Bonds	\$105.02	.....

P.O. Box 67, St. Helier, Jersey JE5 3JF 0534 74806  
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Do. (Sale of 1984)	25.4	48,998	.....			
Do. (Sale of 1985)	25.4	20.5	.....			
<b>Bishnassate Commodity Ser. Ltd.</b>						
Do. (Sale of 1984)	25.4	48,998	.....			
Do. (Sale of 1985)	25.4	20.5	.....			

COUNTY Aug. 6 ... 12 04 2 37 ... 2 37  
 Originally issued at "110 and 112" New York, Sep. 3.  
 Richmond Progressive - 14th Avenue  
 114 Old Branch St., E.C.2 ... 01-5886  
 Apollo Rd. Aug. 15 ... 15 45 15 49 00 ... 2  
 Janey's Aug. 15 ... 14 51 41 15 09 ... 0

**Bridge Management Ltd.**  
GPO Box 590, Hong Kong

50 Bath St., St. Helier, Jersey. 0534 733114

Sterling Denominated Fds.

High Income Fund	53.5	53.5	10
Equity Fund	49.5	51.0	10

High Int. Selg. T.:	0.04	0.97	-0.02	12.40	NAV August-1	SUS223	-
U.S. Dollar Denominated Fd.		6.88	-0.02		Negit Ltd.		

NAV August 17, 1944 US\$10.75 [-0.11]

Business Income	12.12	2.20	8.55	Intl. Currency Fund	0.95	1.75	.....	1
Prices at Aug. 6 first; sub. day Sept. 10.				Dollar F.d. Int. Fund	1.53	1.75	.....	1
				Star. Exch. G. & F.	1.18	1.75	.....	1

**Charterhouse Japhet**  
1 Paternoster Row, EC3 01-2483999

Pondor	20.44	392	PO Box 343 St Helier Jersey	05-2-27
Empire Fund	0.99			
Fisping	45.75	+0.22	Quest Silo F & I Inc	81-99
			Quest Int. Sec	13

Clive Gulf Fd (Jap.)	10.34	10.34	11.55	48 Michel Street Douala	1.0.61.	0624 23
Cornhill Ins. (Guernsey) Ltd.				(a) The Silver Trust	17.3.3	1.67
				(b) The Diamond Fd	1.2.4	1.7

**Rothschild Asset Management (C.I.)**  
P.O. Box 58, St. Julian's, G., Guernsey, GU98 1AB

Deut. Inv. August 14, 1948	250	100%	O.C. Commodity	129.4	58.9	7.7
Deutscher Investment-Trust			O.C. Dir Comdy	56.25	5.50	0.9
Deutscher Inv. Fund			O.C. Sterling Ed.	110.59	-0.01	

**Dreyfus Intercontinental Inv. Fd.**  
P.O. Box N3712, Nassau, Bahamas.  
NAV August 23, 1984. FIELD 73 20 000

E.D.I.C.T.	1352	143.1	229	P.O. Box 194, Royal T. Hse., Jersey.	0534 274
				R.T. Int'l. Fd.	US\$7.70 10.30
The English Association				R.T. Int'l. (Jy) Fd	780 83.0

Wardgate Cn. Fd. "12-11 10-83 .... 3 69  
 \*Next dealing Aug. 29. \*Next dealing Aug. 31.  
 Funds denominated in U.S. Dollars  
 Eurobond Holdings N.V.

Price per share August 24 \$US20.10x.	Sept 17 15.78 17.25	
	Funds denominated in Sterling.	
F. & C. Mgmt. Ltd. Inv. Advisers	Channel Capital 279.2 293.9 +0.21	7

Fidelity Mgmt. & Res. (Bda.) Ltd.  
P.O. Box 670, Hamilton, Bermuda

Fidelity Fd. Fd.	US\$55.01	-	S.A.I.L.	70.0	-1.0	9
Fidelity Wild Fd.	US\$24.49	(-0.01)	S.A.O.L.	50.97	0.91	8
Fidelity Muni. Research (Jersey) Ltd.			Gilt Fd.	23.0	-0.1	12
			Inst. Fd.	25.0	-1.0	10

Series B (Pacific) ..... £8.28  
Series D (Ant. Ass.) ..... £17.94

**Schroder Life Group**  
Enterprise House, Portsmouth. 0705 277

Fleming Japan Fund S.A.	Fixed Interest	128.5	128.8	
37, rue Notre-Dame, Luxembourg	Fixed Interest	113.6	120.8	
	Managed	120.5	128.0	
	Managed	121.2	121.5	

NAV July 31	1052115	+233	Chopp \$ Aug. 23	50514.11	-0.02	2
			Trafalgar July 31	US\$19.83	...	2
G.T. Management Ltd.			Asian Eq. Aug. 20	50519.73	20.23	2

Anchor 'B' Units	US\$1.06	7.09	2.70	P.O. Box 1776, Hamilton 5, Bermuda.
Anchor Gilt Edge	£10.02	10.08	12.60	Managed Fund
Anchor Int. Fd	US\$5.36	5.30	2.20	..... [US\$2.954 3.225] .....

G.T. Asia Sterling	£14.80	15.50	1.70
G.T. Australia Fd.	\$A12.92	13.68	0.76
G.T. Bond Fund	US\$13.81	—	+0.1

G. T. Technology Fd.	505.22	-	+0.01	-	P.O. Box 325, St. Helier, Jersey.	0534-7146
G. T. Pacific Fd.	505.19	-	-	-	Commodity Trust	103.00 108.43 -0.49
G. T. Philippine Fd.	505.24	8.56	-0.11	0.59	Surinvest (Jersey) Ltd. (x)	

41. Broad St., St. Helier, Jersey.	0534-73741	Jap. Index Fst. —	167.51	7.67	7.02	—
Gilt Fund (Jersey) —	100.0	105.01	—	—	—	—
11.90	—	—	—	—	—	—

Bartmore Fund Managers (Far East) Ltd. (a/c)

TSB Unit Trust Managers (C.I.) Ltd.

Intl. Bond Fund	80511.25	11	7500	6.90
Portsmouth Fund Managers (Intl)				
P.O. Box 17, Newark, N.J.	07102	72017		

**TSB Gilt Fund Managers (C.I.) Ltd.**  
 Bagatelle Rd., St. Saviour, Jersey. 0534 7349

Hambro Pacific Fund Mgmt. Ltd.  
 2110, Connaught Centre, Hong Kong  
 Far East August 22 ... (H35456 2437) ... -  
 Tokyo Pacific Holdings N.V.  
 Intimis Management Co. N.V., Curacao.  
 NAV per share Aug. 20 S\$563.47

Capital Reserve Fd.	130.50	10.51	0.25
C. Fund	155.8	10.5	0.70
Intl. Bond	103.22	10.31	0.50

**Tyndall Group**  
P.O. Box 1356, Hamilton 5, Bermuda 2-7760

2 New St., St. Helier, Jersey. 0534 375321

Bond Fd. Aug. 23	1054.10	1054.10	0.80				
*Exclusive of any prelin. charges							
Mill Samuel & Co. (Guernsey) Ltd							
Jersey Fd. Aug. 22	190.4	191.3					8.2
(Non-J. Acc. Ut. 1..	275.0	281.6					
Gift Fund Aug. 22	106.6	108.648					21.0

<b>Hill Samuel Invest. Mgmt. Intl.</b> P.O. Box 63, Jersey HS Channel is F. 0228 2 137 31	<b>Unilife Assurance (Overseas) Ltd.</b> P.O. Box 1388, Hamilton 5-31, Bermuda Internl. Mngd. Fd. 05150 95
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USF Fd (Acc.)	5F3681	16.44	+0.02	—	Uniglobal	DM42	65.70	+0.10	—
Crowbow Fd. (Acc.)	5F3289	3.99	+0.02	—	Unirat	DM48	50.70	—	—
17F Fd (Acc.)	US3987	10.03	+0.05	—	Unirent	DM58	39.70	-0.10	—

International Pacific Inv. Mgmt. Ltd.  
P.O. Box R237, 56, Pitt St., Sydney, Aust.

Jersey Extrnl Tst... \$1.48 159 ... — S. G. Warburg & Co. Ltd.  
As at July 31. Next sub. day Aug. 31 30, Gresham Street, EC2. 01-600 4555

Jardine J.P.C. ....	HK\$342.46	0.90	Merr. Hy. Mkt. Aug. 20 ..	271.05	71.06	—
Jardine S.E.A. ....	US\$18.87	2.00				
Jardine Flem. Int. ....	HK\$14.11	0.70	Warburg Invest. Mngt. Jr. Ltd.			
Int. Pac. Secs. (Inc.) ..	H1 \$34.04	1.20	1 Charing Cross St. Holey ..	0536 7373		

**Leopold Joseph & Sons (Guernsey)**  
Hirzel Ct., St. Peter Port, Guernsey. 0181-26648.

1. Clearing Cross, St. Helier, Jersey	0534 75741	<b>Wren Commodity Trust</b>	
Capital Fund.....117.4	121.9		
Income Fund.....63.4	65.4	9.69	10, St. George's St., Douglas, IOM



# BRITISH FUNDS

Interest Stock Price Last Div. Yield

"Shorts" (Lives up to Five Years)

26M	Electric 400p 74-79	99 1/2	100	1.50	13.57
10	Electric 300p 74-79	99 1/2	100	1.50	13.57
3M	Treasury 90p 1980-82	98 1/4	97	9.17	12.10
3M	Treasury 90p 1980-82	97 1/2	97	9.17	12.10
15	Treasury 90p 1980-82	97 1/2	97	9.17	12.10
3M	Quaker 100p 78-80	100	95	5.49	12.10
3M	Quaker 100p 78-80	100	95	5.49	12.10
25M	Fidelity Inc 1981	100	104	12.95	12.10
15	Fidelity Inc 1981	100	104	12.95	12.10
15	Fidelity Inc 1981	100	104	12.95	12.10
15	Treasury 90p 1979-81	92 1/2	97	3.78	8.11
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
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15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 1981	96	102	10.12	12.10
15	Treasury 90p 198				



## FINANCE 1 AND—Continued

[illegible][illegible]

DIAMOND AND PLATINUM					
May	Argo-Am. Inv. 50c	1404	26.3	0750c	1.71 9.4
Aug	De Beers D. 5c	375	28.3	0700c	3.8 10.13
Aug	Do 40c P. R5.	375	27	1030c	494.1 17
	Arg. Plat. 20c	180	12	0300c	8.9 10.7
May	Lydenburg 12c	86	8.5	045 6c	8.9 10.7
Mar	Arg. Plat. 10c	132	8.5	030c	2.7 3.1

CENTRAL AFRI					
May	Falcon Rh. 50c	310	12.3	0600c	1.7 14.1
May	Flint N Corp. 16p	26	23.4	0.56	5.5 3.1
	Rioan Cons. R4	90	1274		7.7 12.0

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